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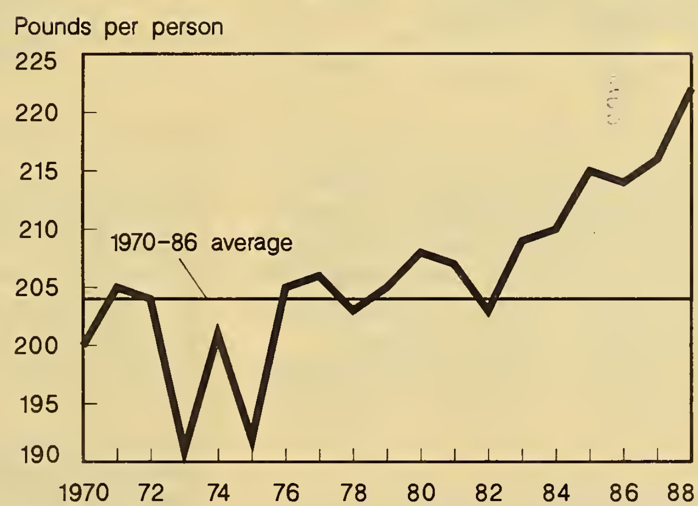
Red Meat and Poultry Disappearance



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The present forecasts will be updated if needed in the World Agricultural Supply and Demand Estimates scheduled for release on September 10 and October 8, 1987.

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SUMMARY

Total red meat and poultry production is expected to increase 2 percent in 1988. Lower grain prices and positive returns are encouraging continued expansion in the poultry sector, expansion in pork production, and the end of breeding herd liquidation in the cattle sector. Per capita meat disappearance may rise to about 222 pounds (retail-weight basis) in 1988, after averaging 214 to 216 pounds in 1985-1987. The rise is expected to result in lower poultry and pork prices in 1988.

Per capita pork disappearance is likely to rise about 4 pounds in 1988, following 2 years near 59 pounds. Pork production is likely to rise sharply this summer and remain large through at least 1988. Beef disappearance rose slightly from 1979 to 1986, ranging from 77 to 80 pounds. However, reduced herd liquidation in 1987 and 1988 is expected to result in lower beef output. Fed beef supplies should remain near the large levels of recent years, with reductions in total beef coming mainly from nonfeds.

Per capita poultry disappearance is expected to continue rising, with the sharpest year-to-year increases likely for turkey. While turkey production increases are likely to slow in 1988, large beginning cold storage stocks will hold up per capita supplies. Broiler disappearance may rise about 6 percent in 1987, with a 5-percent gain likely next year.

Retail pork and poultry prices are likely to decline 6 to 8 percent in 1988. Retail pork prices peaked in late 1986, and are expected to continue to decline through mid-1988 before stabilizing. Wholesale broiler prices have declined in 1987 from the 1986 record, and further declines are expected in 1988. After averaging 72 to 74 cents per pound in 1984 through 1986, 8-16 pound wholesale hen turkeys, Eastern Region, are expected to average 56 to 58 cents per pound in 1987. Prices may decline further in 1988 because of expected larger supplies.

Retail prices for Choice beef likely peaked in June at $2.49 a pound, the highest monthly average since July 1982. Prices may average in the low $2.40's this fall through 1988, near the levels of the early 1980's.

Per capita egg disappearance may be about unchanged this year from last year's 251 eggs. However, these steady supplies are resulting in a decline in wholesale egg prices this year. This is likely to result in supplies declining and prices stabilizing in 1988.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Production costs, particularly for feed, declined sharply from a year ago, and the economy continues to expand—for the second longest period ever. From second-half 1987 through 1988, these factors are expected to result in expanded pork production and further gains in poultry production, to record total red meat and poultry supplies.

Beef production will likely decline again in 1988, as herd liquidation has ended. Any modest expansion resulting in larger supplies remains several years in the future. Hog producers have already expanded breeding inventories, which will result in larger pork

Table 1--Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1985	1986	1987 1/					1988 1/	
	Annual	Annual	I	II	III 1/	IV 1/	Annual 1/	I 1/	Annual 1/
					Million pounds				
Production:									
Beef	23,557	24,213	5,756	5,737	6,000	5,700	23,217	5,525	22,200
% change	+1	+3	0	-8	-4	-4	-4	-4	-4
Pork	14,728	13,998	3,540	3,325	3,500	3,875	14,240	3,850	15,650
% change	0	-5	-1	-7	+8	+7	+2	+9	+10
Lamb & mutton	352	331	76	75	76	80	309	85	330
% change	-6	-6	-16	-4	-6	-2	-7	+12	+7
Veal	499	509	113	101	105	115	434	100	400
% change	+4	+2	-12	-22	-19	-5	-15	-12	-8
Total red meat	39,136	39,051	9,485	9,238	9,681	9,770	38,200	9,560	38,580
% change	0	0	-1	-8	0	0	-2	+1	+1
Broilers 2/	13,569	14,266	3,732	3,920	3,950	3,850	15,452	3,950	16,225
% change	+4	+5	+9	+7	+9	+8	+8	+6	+5
Turkeys 2/	2,800	3,133	668	865	1,090	1,050	3,673	775	3,900
% change	+9	+12	+20	+21	+16	+14	+17	+16	+6
Total poultry 3/	16,871	17,929	4,533	4,940	5,170	5,030	19,673	4,865	20,675
% change	+5	+6	+10	+9	+10	+9	+10	+7	+5
Total red meat & poultry	56,007	56,980	14,018	14,178	14,876	14,800	57,873	14,425	59,255
% change	+2	+2	+3	-3	+3	+3	+2	+3	+2
					Million dozen				
Eggs	5,688	5,715	1,443	1,433	1,425	1,470	5,771	1,430	5,750
% change	0	0	+1	+1	+1	+1	+1	-1	0
Prices:									
					Dollars per cwt				
Choice steers, Omaha, 900-1100 lb	58.37	57.75	60.46	68.60	62-64	61-65	62-66	60-66	61-67
Barrows & gilts, 7 mkts	44.77	51.19	48.11	56.17	53-57	43-47	49-53	39-45	37-43
Slaugh. lambs, Ch., San Ang.	68.61	69.46	78.05	90.32	79-81	75-79	79-83	74-80	70-76
					Cents per pound				
Broilers, 12-city avg. 4/	50.8	56.9	50.0	48.2	45-47	42-46	45-49	40-46	40-46
Turkeys, NY 5/	75.5	72.2	58.0	56.4	55-57	56-60	55-59	47-53	52-58
					Cents per dozen				
Eggs New York 6/	66.5	71.1	64.8	58.9	61-63	65-69	60-64	60-66	60-66

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

supplies beginning this summer. Poultry producers continue to expand production in 1987, and expansion should continue in 1988. These record meat supplies will result in lower meat prices, particularly for pork and poultry, than the highly profitable 1986/87 levels.

Modest Economic Growth To Continue

The real Gross National Product (GNP) is expected to grow slightly faster in 1987 than it did in 1985 or 1986, when it grew about 3 percent. June economic indicators, such as the Leading Index, suggest continued expansion in 1988. The bank prime rate, which averaged about 8 percent in the first half of 1987, seems likely to remain in the 8- to 9-percent range through 1988. Inflation, measured by the percentage change in the GNP Implicit Price Deflator, is likely to be at least a half a percentage point higher in 1987 than the 2.6 percent of 1986, and should be in the 3.5 to 4 percent range for 1988. Real disposable income is likely to grow more slowly in 1987 and 1988 than real GNP, which will provide very little additional support for the rapidly expanding meat supplies through 1988.

Grain Production To Decline; Stocks Remain Large

Crop acreage estimates for 1987 as of June 1 indicate feed grain acreage for harvest at 87.5 million acres, down 14 percent from a year ago. While National Agricultural Statistics Service (NASS) first yield and production estimates will not be released until August 11, the acreage estimates and trend yields indicate feed grain production may decline 14 percent. Corn production may decline to 7.15 billion bushels this fall, down 13 and 19 percent from 1986/87 and 1985/86, respectively.

Final crop production will reflect late-season weather developments. But the harvest is expected to be smaller than projected total 1987/88 use, resulting in stocks declining 7 percent from the large 1986/87 ending stock level, but still 14 percent above 1985/86. Farm prices for corn are likely to average $1.55 a bushel this year, but may average $1.70 to $2.00 in 1987/88, still well below the $2.23 average in 1985/86 before the Food Security Act of 1985 went into effect.

Soybean acreage harvested this fall is expected to decline 3 percent from a year ago. Preliminary estimates place production down 5 percent. Soybean meal prices in 1987/88 are likely to remain near this year's $160 per ton, and above the 1985/86 average of $154.90.

LIVESTOCK AND RED MEATS

Forage conditions continue to remain very favorable in most areas. Pasture and range feed conditions on July 1 were near a year earlier and near the 1976-85 average for the date. Conditions in Michigan, Minnesota, and Wisconsin were rated poor to very poor, but recent rains likely resulted in some improvement. Conditions on the West Coast are also dry with a poor-to-fair rating.

Forage conditions remain very favorable for the reduced cattle inventory. Although the hay acreage for harvest this year was estimated at 60.2 million acres, down 3 percent from a year ago, it remains near the 1978-85 average. With very favorable grazing conditions and another large hay harvest likely, hay prices may drop.

Hay stocks on May 1 were large at 32.4 million tons, up 21 percent from a year earlier. The farm price of hay averaged $61.60 a ton in July, down from $63.20 in June. Prices for alfalfa hay were $4 above a year ago; while other hay was about unchanged. In addition, the Acreage Reduction Program and the Paid Land Diversion Program allow grazing in all but the 5 principal growing months on the 20 percent of the acreage which must be set aside and the 15 percent eligible for paid diversion. This year 50 to 55 million acres are available for grazing, and could be harvested for hay if deemed necessary by local ASCS offices.

Table 2--Hay acreage, production and stocks

Item	1985	1986	1987	1987 as a percent of 1986
		1,000 acres		
Hay:				
Acreage	60,423	62,274	60,203	97
		1,000 tons		
Production	96,555	121,530		
Stocks on farms May 1	26,853	26,698	32,359	121

Cattle

Reference Date Changed

The reference date for the National Agricultural Statistics Service (NASS) midyear cattle inventory has been shifted to June 1 from the former July 1. The shift was made to combine this survey into NASS's quarterly survey schedule. A historical series on the July 1 and June 1 reference dates was provided by NASS in the January 1, 1987 *Cattle* report released in February. The quarterly *Cattle on Feed* reference dates remain unchanged. Work tables have been shifted to the new midyear schedule. However, the inventory data have been adjusted to keep the midyear feeder cattle supply on a July 1 basis to retain the relationship with the July 1 quarterly *Cattle on Feed* report. A fixed coefficients special article on the new series is in this issue.

Inventory Decline Slows

Cattle and calves in the June 1 inventory declined 2 percent from a year ago and 5 percent from the 1985. This was the lowest June 1 inventory since the series began in 1973. Beef cows increased slightly from a year ago, continuing to suggest an end to liquidation, but strong expansion is not evident. Dairy cow numbers declined 5 percent, reflecting the impact of the Dairy Termination Program. Beef and dairy replacement heifers being retained for possible entry into the breeding herd were unchanged and down 2 percent from a year ago, respectively.

Table 3--June 1 cattle inventory

Class	1985	1986	1987	1987/86
	- - 1,000 head - -			Percent change
Cattle and calves	118,200	114,400	112,100	-2.0
Cows and heifers that have calved	46,600	45,400	45,000	-.9
Beef cows	35,600	34,500	34,600	+.3
Milk cows	11,000	10,900	10,400	-4.6
Heifers 500 lb+	18,500	17,800	17,100	-3.9
For beef cow replacement	4,800	4,700	4,700	0
For milk cow replacement	4,900	4,600	4,500	-2.2
Other heifers	8,800	8,500	7,900	-7.1
Steers 500 lb+	16,500	16,100	15,700	-2.5
Bulls 500 lb+	2,300	2,200	2,200	0
Heifers, steers, and bulls -500 lb	34,300	32,900	32,100	-2.4
Calf crop 1/	41,045	41,201	2/40,700	

1/ Number of calves born before June 1 plus the number expected to be born on and after June 1.
2/ Expected.

The number of heifers calving and entering the cow herd in January-May remained relatively low. Only 39 percent of the replacement heifers at the beginning of the year entered the herd. However, cow slaughter continued to decline from a year earlier, particularly for dairy cows. Through May, beef cow slaughter was 12 percent lower than a year ago, and dairy cow slaughter was down 22 percent. Although forage supplies have been rebuilt and grain prices continue well below a year earlier, cattlemen appear to be more concerned with improving their financial base by selling, rather than retaining, replacement heifers. The opportunity cost of retaining a heifer remains high, in regards to what the calf from a heifer bred this spring may sell for when weaned in the fall of 1988. At that time, supplies of competing meats may be much larger, holding calf prices below the levels of this past spring.

Although State inventory data are not available in the midyear release, 1987 slaughter data do provide some insight. Beef cow slaughter was above a year ago in only two slaughter districts, the Southeast (14 percent) and the Southwest (12 percent). Slaughter was down about 35 percent in the Mountain and Northwestern States. Slaughter in the Southern Great Plains was down only 5 percent, suggesting, as expected, that numbers were rebuilt in 1985/86 more in response to improved forage conditions after the 1982-84 drought, rather than to any broad economic signal for expansion.

Beef cow numbers have stabilized, but any broad turnaround in inventories is at least a year away. This fall will be the first opportunity for most cow-calf operations to sell calves at higher prices. However, competing meats, particularly pork, are expanding sharply and will push total red meat and poultry supplies much higher this fall and in 1988. These larger competitive supplies will be priced even lower relative to beef over

Table 4--Heifers entering cow herd January-June and July-December

Year	Jan. 1 cow inventory	Intended herd replacements Jan. 1	Total 1/ disappearance Jan.-June	June 1 cow inventory	Heifers entering herd Jan.-May	Percent entering herd	Intended herd replacements June 1	Total 2/ disappearance June-Dec.	Jan. 1 cow inventory following year	Heifers entering herd June-Dec.	Percent entering herd
	---- 1,000 head ----					Percent	---- 1,000 head ----				Percent
1973	52,553	11,306	3,550	54,200	5,197	46.0	10,900	3,526	54,478	3,804	34.9
1974	54,478	12,134	3,625	57,000	6,147	50.7	11,600	4,747	56,931	4,678	40.3
1975	56,931	12,971	5,212	58,600	6,881	53.0	11,100	7,241	54,971	3,612	32.5
1976	54,971	11,148	5,628	54,500	5,157	46.3	10,200	5,857	52,441	3,798	37.2
1977	52,441	10,414	5,221	52,700	5,480	52.6	9,600	5,469	49,635	2,404	25.0
1978	49,635	9,744	4,961	48,900	4,226	43.4	9,200	4,290	47,852	3,242	35.2
1979	47,852	9,459	3,413	48,000	3,561	37.6	9,600	3,271	47,866	3,137	32.7
1980	47,866	10,101	3,304	50,100	5,538	54.8	10,000	3,783	49,622	3,305	33.1
1981	49,622	10,481	3,599	51,200	5,177	49.4	10,600	3,825	50,216	2,841	26.8
1982	50,216	11,147	3,887	50,300	3,971	35.6	10,600	4,220	48,986	2,906	27.4
1983	48,986	10,881	3,253	49,900	4,167	38.3	10,400	5,079	48,603	3,782	36.4
1984	48,603	10,715	3,859	49,200	4,456	41.6	10,200	5,491	46,174	2,465	24.2
1985	46,174	10,302	3,428	46,600	3,854	37.4	9,700	4,656	44,810	2,866	29.5
1986	44,810	9,910	3,683	45,400	4,273	43.1	9,300	4,948	44,457	4,005	43.1
1987	44,457	9,489	3,118	45,000	3,661	38.6	9,200	3,506			

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

the next year. While beef supplies are down, the decline is primarily in nonfed beef; fed cattle marketings remain near the recent large levels.

Yearling Supply Drops Sharply; Calf Decline Slows

This year's calf crop was estimated at 40.7 million head, 1 percent below a year ago and the smallest since 1961. A larger proportion of the calf crop continues to be born in the first part of the year, rising from 67.5 percent in the early 1980's to an estimated 69.5 percent in 1987.

Several factors are interacting to hold up feeder cattle supplies. Heifer retention remains relatively low, freeing up heifers for feedlot placement. Nonfed steer and heifer slaughter in the second quarter declined 24 percent from a year ago, when large Dairy Termination Program dairy heifer slaughter held numbers up. Second-quarter nonfed steer and heifer slaughter was about unchanged from 1985. Nonfed slaughter is likely to remain well below a year earlier through 1988. Calf slaughter through June was down 17 percent from a year ago. In addition, feeder steer imports from Mexico also held up supplies. (See Cattle Imports Section.)

Feeder cattle supplies outside feedlots on July 1 and available for stocker operations, feedlot placement, or possible herd retention were down 5 percent from a year ago. Feeder calves were down 2 percent, while yearlings declined 11 percent. Stocker-feeder cattle continue to be held on grass longer to increase sales weight. Given the abundant forage supplies and large supplies of competing meats holding down fed cattle prices over the next couple of years,.this trend is likely to continue. The opportunity cost of grass in many areas is very low, and literally millions of acres of forage will go unused or at least underutilized this year. Stiff competition and high prices for the smaller supply of lighter weight stocker-feeder cattle may hold up prices this fall. This will raise prices to breakeven for stocker operators and cattle feeders when these cattle are marketed. This will occur when year-to-year increases in total meat supplies will be greatest.

Second-quarter Placements Near Record Large

Net placements in the 13 quarterly reporting States of 5.5 million head in the second quarter were the largest since spring 1972, when nearly 5.9 million head were placed. However, while placements were up 14 percent from the low levels of a year ago, they were still near those of 1982-83. Placements this summer are likely to be well below the near-record placements of a year earlier.

Fed cattle marketings during the spring quarter were 3 percent below the 1986 spring level, due primarily to sharply lower marketings in May. Marketings in the 7

Table 5--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
							Total			Dairy			Dairy as percent of total		
	1985	1986	1987	1985	1986	1987	1985	1986	1987	1985	1986	1987	1985	1986	1987
	------ Thousands ------												-- Percent --		
Jan. 3	553	596	577	247	270	274	129	138	130	50	58	62	39	42	48
10	736	762	741	323	344	349	183	190	148	70	79	66	38	42	45
17	741	756	766	355	343	360	153	176	151	61	72	67	40	41	44
24	679	704	707	327	321	336	140	153	124	52	67	61	37	44	49
31	665	671	673	313	308	332	146	143	128	60	62	64	41	43	50
Feb. 7	672	656	684	313	306	316	133	144	135	58	65	67	44	45	50
14	657	651	621	301	310	303	146	122	119	59	58	59	40	48	50
21	671	640	602	311	291	292	142	126	109	59	59	56	41	47	51
28	679	676	657	323	318	326	131	136	121	60	64	66	46	47	55
Mar. 7	678	634	678	332	298	337	127	130	127	55	62	68	43	48	53
14	675	639	646	311	304	311	136	128	124	60	61	58	44	48	47
21	623	646	625	289	305	300	128	131	111	56	61	55	44	47	49
28	621	657	616	282	307	304	124	135	115	55	64	58	44	47	50
Apr. 4	612	669	652	265	315	328	118	157	101	54	89	57	46	57	47
11	640	716	649	286	354	444	119	148	114	53	97	51	45	65	45
18	659	705	681	322	339	349	126	137	119	53	86	52	42	63	44
25	681	719	639	320	342	330	123	159	117	49	92	48	40	58	41
May 2	684	719	635	344	334	321	115	157	118	48	84	48	42	53	41
9	686	706	630	336	327	309	116	149	116	46	77	46	39	52	40
16	711	733	700	356	340	348	120	156	124	47	76	50	39	49	37
23	689	729	695	335	334	355	130	158	131	49	78	49	38	49	37
30	600	643	612	288	310	308	113	136	107	41	64	52	36	47	40
June 6	662	721	680	328	364	350	125	142	117	44	66	50	35	46	43
13	673	736	669	344	375	340	110	143	115	42	66	49	38	46	43
20	684	691	649	338	327	320	121	140	122	44	65	49	36	46	40
27	685	732	680	328	343	338	130	147	130	47	69	52	36	47	40
July 4	559	612	621	294	289	316	84	123	109	32	59	47	38	48	43
11	707	734	652	335	342	338	131	149	114	50	73	51	38	49	45
18	697	746	682	325	354	339	139	163	128	48	75	53	35	46	41
25	678	732	684	331	346		119	152		45	72		38	47	
Aug. 1	659	687		319	310		114	148		46	75		40	51	
8	683	724		340	340		107	141		44	71		41	50	
15	705	767		327	361		128	149		49	77		38	52	
22	720	733		339	341		136	147		52	71		38	48	
29	706	718		334	333		133	146		53	74		40	51	
Sept. 5	613	618		295	292		111	112		46	55		41	49	
12	726	734		332	332		136	134		54	59		40	44	
19	714	722		347	352		127	145		52	66		41	46	
26	698	678		313	336		139	143		58	63		42	44	
Oct. 3	671	694		289	359		148	134		61	62		41	46	
10	692	685		300	345		147	137		57	64		39	47	
17	674	690		293	318		155	150		60	66		39	44	
24	678	688		299	322		159	152		61	61		38	40	
31	633	696		274	325		154	165		60	66		39	40	
Nov. 7	666	714		293	335		167	165		65	68		39	41	
14	669	671		285	296		174	168		68	73		39	43	
21	655	692		288	313		166	175		66	70		40	40	
28	550	594		255	281		130	133		50	53		38	40	
Dec. 3	653	685		282	298		171	174		68	74		40	43	
10	680	676		290	302		192	175		75	71		39	41	
19	670	691		297	315		168	170		68	74		40	44	
26	521	512		243	248		115	105		45	46		39	44	

Table 6—Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Nonfed	Total	Cows	Bulls and stags	Total 2/	Average dressed weight	Commercial production 2/
	- - - 1,000 head - - -						Million	Million pounds
1985:								
I	6,678	208	6,886	1,879	171	8,936	637	5,692
II	6,663	534	7,197	1,630	195	9,022	656	5,923
III	6,887	577	7,464	1,691	197	9,352	659	6,167
IV	5,927	665	6,592	2,191	196	8,979	643	5,775
Year	26,155	1,984	28,139	7,391	759	36,289	2,595	23,557
1986:								
I	6,509	325	6,834	1,885	165	8,884	649	5,769
II	6,702	683	7,385	2,006	181	9,572	653	6,246
III	6,780	740	7,520	1,941	192	9,652	651	6,273
IV	6,104	770	6,874	2,129	177	9,180	645	5,925
Year	26,095	2,518	28,613	7,960	715	37,288	649	24,213
1987:/								
I	6,546	404	6,950	1,651	164	8,765	657	5,756
II	6,535	561	7,096	1,603	179	8,878	646	5,737

1/ Classes estimated. 2/ May not add due to rounding.

Table 7—U.S. federally inspected cow slaughter by region, January-June

Standard Federal regions 1/	Beef 1986	Beef 1987	Beef 1987/86	Dairy 1986	Dairy 1987	Dairy 1987/86
	1,000 head		Percent	1,000 head		Percent
1 & 2 2/	4.5	3.6	80	112.6	99.3	88
3	59.6	51.8	87	206.9	165.4	80
4	242.0	274.8	114	147.3	109.5	74
5	180.4	139.4	77	494.6	413.5	84
6	367.7	349.2	95	99.6	64.1	64
7	423.9	341.4	81	161.0	117.4	73
8	141.7	90.8	64	51.4	43.3	84
9	87.8	98.2	112	188.4	129.4	69
10	93.2	60.6	65	85.3	61.7	72
U.S. 3/	1,600.8	1,409.9	88	1,547.0	1,203.5	78

1/ States included in regions are as follows: 1-ME, NH, VT, MA, CT & RI; 2-NY & NJ: 3-PA, WV, VA & DE-MD; 4-KY, TN, NC, SC, GA, AL, MS & FL; 5-MI, OH, IN, IL, WI & MN; 6-TX, OK, NM, AR & LA; 7-IA, NB, KS & MO; 8-MT, WY, CO, UT, ND & SD: 9-CA, NV, AZ & HI; 10-ID, OR, WA. 2/ Region 1 combined with region 2 to avoid disclosing individual operations. 3/ Totals may not add due to rounding.

Table 8—July 1 feeder cattle supply

Item	1985	1986	1987	1987/86
	1,000 head			Percent change
Calves less than 500 lb 1/				
On farms	33,600	32,200	31,468	-2.3
On feed 2/	213	183	264	+44.8
Total	33,387	32,017	31,204	-2.5
Steers & heifers 500 + lb 3/				
On farms	24,200	23,300	22,493	-3.5
On feed 2/	9,889	9,179	9,972	+8.6
Total	14,311	14,121	12,521	-11.3
Total supply	47,698	46,178	43,766	-5.2

1/ Less than. 2/ Estimated U.S. steers and heifers. 3/ Not including heifers for cow replacement.

monthly reporting States were down 7 percent in May, but were 3 percent above a year ago in June.

Cattle on feed July 1 in the quarterly reporting States rose 9 percent from last year, which was the lowest since 1975. On-feed inventories were unchanged from 1984-85, but down from 1982-83. Feedlots remain very current, but marketing show lists of cattle available for sale are increasing. Producers indicated intentions of marketing 4 percent more cattle than a year ago this summer.

Marketings are likely to be near this level, but continued placement of heavy cattle in June is likely to push some of these cattle into early fall.

With show lists increasing, cattle will be kept on feed for more normal lengths of time and heavier slaughter weights, as packers will not need to bid the cattle forward to secure needed slaughter numbers as occurred this past spring. With low feed costs and lower fed cattle prices, along with continued high feeder

Table 9--Commercial calf slaughter and production

Year	Slaughter 1/	Average dressed weight	Production 1/
	1,000 head	Pounds	Million pounds
1984:			
I	817	141	115
II	745	152	113
III	856	143	122
IV	874	145	127
Year	3,293	145	477
1985:			
I	820	145	119
II	770	156	120
III	872	144	126
IV	923	145	134
Year	3,385	148	499
1986:			
I	873	148	129
II	836	154	129
III	859	150	129
IV	839	145	122
Year	3,408	149	509
1987:			
I	768	147	113
II	657	154	101

1/ May not add due to rounding.

cattle prices, marketing weights will rise to near a year earlier. This again raises the danger of cattle backing up with price discounts, particularly as supplies of competing meats begin to rise in late summer.

Second-Quarter Beef Production Drops; Prices Rose

Beef production in the second quarter was 8 percent below a year ago. Slaughter declined 7 percent, due primarily to sharp declines in nonfed slaughter against last year's large DTP slaughter. Fed cattle slaughter increased as a proportion of total slaughter during the quarter, but smaller-than-expected pork supplies resulted in fed cattle being bid out of feedlots ahead of schedule, as total red

Table 10--7-States cattle on feed, placements, and marketings

Year	On feed	Change from previous year	Net placements	Change from previous year	Marketings	Change from previous year	Other disappearance	Change from previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1985								
Jan.	8,635	+7.6	1,331	-10.1	1,782	+13.6	118	+37.2
Feb.	8,184	+3.4	1,247	+2.3	1,540	-5.0	94	+14.6
Mar.	7,891	+5.0	1,494	-9.3	1,559	-2.2	98	-16.2
Apr.	7,826	+3.4	1,283	-3.6	1,603	+5.3	133	-27.7
May	7,506	+1.8	1,548	-2.0	1,604	-2.0	128	-41.6
June	7,450	+1.8	1,184	-12.4	1,577	+2.1	87	-7.4
July	7,057	-1.0	1,017	-17.9	1,670	+7.5	61	-27.4
Aug.	6,404	-6.0	1,448	-10.6	1,697	+0.8	62	+1.6
Sept.	6,155	-8.8	1,909	-12.6	1,603	+7.7	79	-2.5
Oct.	6,461	-13.2	2,694	+10.6	1,573	-5.1	85	-22.7
Nov.	7,582	-7.8	1,690	-7.3	1,380	-8.1	76	-37.2
Dec.	7,892	-7.6	1,369	-7.9	1,401	-0.9	111	-19.0
1986								
Jan.	7,920	-8.3	1,494	+12.2	1,750	-1.8	87	-26.3
Feb.	7,664	-6.4	1,128	-9.5	1,470	-4.5	92	-2.1
Mar.	7,322	-7.2	1,564	+4.7	1,593	+2.2	86	-12.2
Apr.	7,293	-6.8	1,445	+12.6	1,631	+1.7	120	-9.8
May	7,107	-5.3	1,624	+4.9	1,635	+1.9	132	+3.1
June	7,096	-4.8	1,095	-7.5	1,648	+4.5	67	-23.0
July	6,543	-7.3	1,480	+45.5	1,692	+1.3	64	+4.9
Aug.	6,331	-1.1	1,732	+19.6	1,659	-2.2	70	+12.9
Sept.	6,404	+4.0	2,044	+7.1	1,637	+2.1	59	-25.3
Oct.	6,811	+5.4	2,322	-13.8	1,587	+.9	81	-4.7
Nov.	7,546	-.5	1,727	+2.2	1,447	+4.9	87	+14.5
Dec.	7,826	-.8	1,301	-9.0	1,494	+6.6	104	-6.3
1987								
Jan.	7,633	-3.6	1,464	-2.0	1,803	+3.0	127	+46.0
Feb.	7,294	-4.8	1,322	+17.2	1,473	+.2	105	+14.1
Mar.	7,143	-2.4	1,665	+6.5	1,586	-.4	89	+3.5
Apr.	7,222	-1.0	1,592	+10.2	1,581	-3.1	134	+11.7
May	7,233	+1.8	1,811	+11.5	1,524	-6.8	143	+8.3
June	7,520	+6.0	1,375	+25.6	1,702	+3.3	87	+29.9
July	7,193	+9.9						

Table 11--13-States cattle on feed, placements, marketings, and other disappearance

Year	Cattle on feed 1/	Change previous year	Placed on feed	Change previous year	Fed cattle marketed	Change previous year	Other disappear- ance	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1984:								
I	9,908	-3.5	5,511	+9.6	5,714	+0.4	365	-19.1
II	9,340	+2.0	5,562	-5.7	5,620	+1.7	582	+29.3
III	8,700	-4.1	6,252	12.0	5,684	-3.5	268	-10.1
IV	9,000	6.3	7,592	3.9	5,507	1.3	417	6.1
Year	---	---	24,884	4.5	22,525	-0.1	1,632	2.5
1985:								
I	10,653	7.3	5,315	-3.4	5,907	3.4	373	2.2
II	9,688	3.7	5,206	-6.5	5,787	3.0	437	-24.9
III	8,670	-.3	5,465	-12.6	5,969	5.0	244	-9.0
IV	7,937	-11.8	7,275	-4.2	5,194	-5.9	324	-22.3
Year	---	---	23,267	-6.6	22,855	1.4	1,378	-15.6
1986:								
I	9,754	-8.4	5,270	-.8	5,763	-2.4	316	-15.3
II	8,945	-7.7	5,221	-.3	5,821	-.6	375	-14.2
III	7,970	-8.1	6,336	14.0	5,876	-1.6	233	-4.5
IV	8,197	3.3	6,726	-8.7	5,376	2.9	312	-3.7
Year	---	---	23,553	.1	22,836	-.2	1,236	-10.3
1987:								
I	9,235	-5.3	5,700	8.2	5,767	.1	371	17.4
II	8,797	-1.7	5,961	14.2	5,669	-2.6	423	12.8
III	8,666	-8.7			2/6,118			

1/ Beginning of quarter. 2/ Expected marketings.

Table 12--Cattle on feed, placements, and marketings, 13 States

Item	1985	1986	1987	1987/86
	- - 1,000 head - -			Percent change
On feed April 1	9,688	8,945	8,797	-2
Placements, Apr.-June	5,206	5,221	5,961	+14
Marketings, Apr.-June	5,787	5,821	5,669	-3
Other disappearance, Apr.-June	437	375	423	+13
On feed July 1	8,670	7,970	8,666	+9
Steer & steer calves				
-500 lb	112	118	171	+45
500-699 lb	478	379	487	+28
700-899 lb	1,679	1,586	1,836	+16
900-1,099 lb	2,230	2,145	2,502	+17
1,100 + lb	755	694	604	-13
Heifers & heifer calves				
-500 lb	70	37	52	+41
500-699 lb	618	543	501	-8
700-899 lb	1,666	1,483	1,543	+4
900 + lb	1,030	954	935	-2
Cows	32	31	35	+13
Marketings, July-Sept.	5,969	5,876	1/6,118	+4

1/ 1987 intentions.

meat production declined 8 percent. Weights of fed cattle in Texas-Oklahoma averaged 20 to 40 pounds below a year ago in April through June, with weights still averaging 20 pounds under a year ago for much of July. For the quarter, fed marketings were down 2 percent, while cow slaughter dropped 20 percent.

Choice fed steer prices at Omaha averaged $68.60 per cwt in the second quarter. This was $14 above a year ago and the highest quarterly average since second-quarter 1982. Prices peaked near $71 in May before declining to $68 in late June and $62 to $63 in late July. Yearling feeder steers at Kansas City averaged $73.43 this spring, the highest since the fall of 1980, and $14 above a year earlier. Utility cow prices at Omaha averaged $44.44, $7 above a year earlier and the highest since the summer of 1980.

Expanding Supplies of Competing Meats To Pressure Prices

Poultry and pork production are expected to rise 7 to 9 percent over a year ago in second-half 1987, while beef production declines about 4 percent. Fed cattle

Table 13--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	Sept. '86 / Mar. '87	Oct. / Apr.	Nov. / May	Dec. / June	Jan. '87 / July	Feb. / Aug.	Mar. / Sept.	Apr. / Oct.	May / Nov.	June / Dec.
Expenses:										
600 lb feeder steer	393.00	390.60	384.78	390.00	414.00	428.28	426.78	437.40	440.28	444.00
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	62.55	59.40	64.80	66.60	63.00	59.85	63.90	67.95	74.25	76.50
Silage (1.7 tons)	23.32	22.44	24.72	25.34	25.08	24.91	25.96	26.86	28.19	29.17
Protein supplement (270 lb)	31.86	32.94	32.94	32.94	32.67	32.67	32.67	31.32	31.32	31.32
Hay (400 lb)	8.20	8.00	8.90	9.10	9.40	9.70	9.90	10.00	10.10	10.50
Total feed costs	125.93	122.78	131.36	133.98	130.15	127.13	132.43	136.13	143.86	147.49
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet Medicine 3/	5.21	5.12	5.12	5.12	5.13	5.13	5.13	5.23	5.23	5.23
Interest on purchase (6 months)	23.19	22.07	21.74	22.04	22.98	23.77	23.69	23.84	24.00	24.20
Power, equip., fuel, shelter, depreciation 3/	24.31	23.87	23.87	23.87	23.91	23.91	23.91	24.38	24.38	24.38
Death loss (1% of purchase)	3.93	3.91	3.85	3.90	4.14	4.28	4.27	4.37	4.40	4.40
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	10.51	10.32	10.32	10.32	10.34	10.34	10.34	10.54	10.54	10.54
Total	620.60	613.19	615.56	623.75	645.18	657.36	651.07	676.41	687.21	694.76
Selling price per cwt required to cover:										
Feed and feeder costs (1050 lb) $/cwt	49.42	48.89	49.16	49.90	51.82	52.90	53.26	54.62	55.63	56.33
All costs (1050 lb) $/cwt	59.10	58.40	58.63	59.40	61.45	62.61	62.01	64.42	65.45	66.17
Feed cost per 100 lb gain (450 lb) $/cwt	27.98	27.28	29.19	29.77	28.92	28.25	29.43	30.25	31.97	32.78
Choice steers, Omaha (900-1100 lb) $/cwt	61.58	66.30	70.66	68.83						
Net margin $/cwt	2.48	7.90	12.03	9.43						
Prices:										
Feeder steer, Choice (600-700 lb) Kansas City $/cwt	65.50	65.10	64.13	65.00	69.00	71.38	71.13	72.90	73.38	74.00
Corn $/bu 4/	1.39	1.32	1.44	1.48	1.40	1.33	1.42	1.51	1.65	1.70
Hay $/ton 4/	41.00	40.00	44.50	45.50	47.00	48.50	49.50	50.00	50.50	52.50
Corn silage $/ton 5/	13.72	13.20	14.54	14.91	14.76	14.65	15.27	15.80	16.58	17.16
Protein supplement (32-36%) $/cwt	11.80	12.20	12.20	12.20	12.10	12.10	12.10	11.60	11.60	11.60
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	11.80	11.30	11.30	11.30	11.10	11.10	11.10	10.90	10.90	10.90
Transportation rate $/cwt. per 100 miles 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses $/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1109	1089	1089	1089	1091	1091	1091	1112	1112	1112

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in Iowa and Illinois. 5/ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in Iowa and Illinois. 7/ Converted from cents/mile for a 44,000-pound haul. 8/ Yardage plus commission fees at a Midwest terminal market.

marketings may rise 2 to 4 percent in the second half over a year earlier. Thus, all of the decline will result from an 18- to 20-percent drop in cow slaughter, and a similar-to-greater decline in nonfed steer and heifer slaughter, depending on feedlot demand.

Expanding supplies of already relatively lower priced competing meats will pressure beef, encouraging price declines through fall. Prices for Choice fed steers at Omaha may average in the low-to-mid $60's this summer and fall, as supplies of competing meats rise well above a year ago and beef supplies rise above first-half levels. Prices will still average $3 to $5 above a year earlier.

Yearling feeder steers may average in the upper $60's as supplies tighten further, but lower fed cattle prices and moderately rising feed grain prices will reduce feeding margins on cattle being marketed through fall. Cattle are likely to remain on pasture longer, as feedlot operators cannot outbid the demand for lighter weight cattle to remain on pasture. Sharply lower cow slaughter will likely hold the decline in cow prices to near $40.

Table 14--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	July '86 Jan. '87	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. '87 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.
Expenses: ($/head)												
600 lb feeder steer	366.48	381.78	381.00	369.90	376.50	381.48	398.82	421.86	423.36	428.88	417.78	427.14
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:												
Milo (1500 lb) 2/	63.00	55.65	53.25	50.10	45.75	50.25	46.95	46.05	49.05	51.90	55.50	56.70
Corn (1500 lb) 2/	69.60	60.30	54.90	52.05	55.20	57.15	55.20	52.65	54.90	57.00	63.00	63.75
Cotton seed meal (400 lb)	40.40	40.40	40.40	40.80	40.80	40.80	45.20	45.20	45.20	44.00	44.00	44.00
Alfalfa hay (800 lb)	39.60	39.60	40.80	40.80	40.40	43.60	43.20	45.20	45.20	41.20	42.00	46.00
Total feed cost	212.60	195.95	189.35	183.75	182.15	191.80	190.55	189.10	194.35	194.10	204.50	210.45
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	23.40	23.75	23.55	21.93	22.21	22.68	23.47	24.53	24.73	26.30	26.01	26.62
Death loss	5.50	5.73	5.72	5.55	5.65	5.72	5.98	6.33	6.35	6.43	6.27	6.41
Marketing 3/	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Total	638.94	638.17	630.57	612.09	617.47	632.64	649.78	672.78	679.75	686.67	685.52	701.58
Selling price required to cover: 4/												
Feed and feeder cost (1056 lb) $/cwt	54.84	54.71	54.01	52.43	52.90	54.29	55.81	57.86	58.50	58.99	58.93	60.38
All costs $/cwt	60.51	60.43	59.71	57.96	58.47	59.91	61.53	63.71	64.37	65.03	64.92	66.44
Selling price $/cwt 5/	60.61	64.09	65.26	70.39	71.80	69.96						
Net margin $/cwt	0.10	3.66	5.55	12.43	13.33	10.05						
Cost per 100 lb Gain:												
Variable cost less interest $/cwt	48.42	45.14	43.81	42.66	42.36	44.30	44.11	43.89	44.94	44.91	46.95	48.17
Feed costs $/cwt	42.52	39.19	37.87	36.75	36.43	38.36	38.11	37.82	38.87	38.82	40.90	42..09
Prices:												
Choice feeder steer 600-700 lb Amarillo	61.08	63.63	63.50	61.65	62.75	63.58	66.47	70.31	70.56	71.48	69.63	71.19
Transportation rate $/cwt/100 miles 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Commission fee $/cwt	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Milo $/cwt	4.05	3.56	3.40	3.19	2.90	3.20	2.98	2.92	3.12	3.31	3.55	3.63
Corn $/cwt	4.49	3.87	3.51	3.32	3.53	3.66	3.53	3.36	3.51	3.65	4.05	4.10
Cottonseed Meal (41%) $/cwt 7/	10.10	10.10	10.10	10.20	10.20	10.20	11.30	11.30	11.30	11.00	11.00	11.00
Alfalfa hay $/ton 8/	69.00	69.00	72.00	72.00	71.00	79.00	78.00	83.00	83.00	73.00	75.00	85.00
Feed handling and management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	9.90	9.90	9.90	9.50	9.50	9.50	9.50	9.50	9.50	10.00	10.00	10.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. Revisions have been made per annual Agricultural Prices. 2/ Texas Panhandle elevator price plus $0.15/cwt handling and transportation to feedlots. 3/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 4/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 5/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 6/ Converted from cents per mile for a 44,000-lb haul. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots. 9/ Prime rate plus 2 points.

Large Competing Meat Supplies To Continue in 1988

Beef production is likely to drop about 4 percent in 1988, as a nearly 5-percent decline in slaughter is partially offset by heavier slaughter weights. Fed cattle slaughter may decline 1 to 2 percent from 1987's large level, but remain near the levels of 1982-87. At the same time fed cattle as a share of total slaughter will continue to rise. The proportion was 69 percent in 1986, but may rise to around 74 percent in 1987 and to about 76 percent in 1988. Cow slaughter may decline about 4 percent, but even without strong expansion incentives the sharpest year-to-year declines are likely past. Nonfed steer and heifer slaughter may decline to the lowest levels since the early 1970's, as more cattle are retained on pasture for additional gain, before being placed on feed as heavier yearlings.

Cattle prices are likely to remain near this year's average in 1988, despite the 4-percent drop in beef production. Production of competing meats is expected to rise about 7 percent in 1988, resulting in a 2- to 3-percent increase in total red meat and poultry production. This would result in record total red meat and poultry disappearance-- near 222 pounds per capita, up sharply from the 214 to 216 pounds of 1985-87. Cattle prices may again peak next spring, but the quarterly fall-to-spring rise may average only $1 to $3, versus the $8 runup through spring 1987. Meat production was 3 percent below a year ago this spring, but will likely rise 4 to 5 percent next spring. This would place spring 1988 supplies

at nearly 2 percent above the spring of 1986 at the peak of the DTP slaughter.

Retail Beef Prices Regain Early 1980's Level

Sharp reductions in red meat supplies this spring resulted in prices for Choice beef at retail averaging $2.49 a pound in June and $2.43 for the spring quarter. This was the highest monthly price since July 1982, and the highest quarterly price since first-quarter 1984. The farm-to-retail spread widened to $1.01 a pound in June as the 8-market steer price averaged $70.29. This places the spread near to slightly below a year earlier and the first quarter. Thus, as fed cattle prices decline through fall, retail prices can be brought down from June's $2.49 to compete against the expanding supplies of competing meats, marketed at even lower relative prices to beef. Retail beef prices in 1987 are still expected to rise about 4 percent from last year's $2.31 average. Price gains, in 1988 will be held down near this fall's lower level, and average only 1 to 2 percent above this year's average.

Cattle Imports Up

Live cattle imports during January-May 1987 reached 632,663 head, up 9 percent from the same period last year. Imports from Mexico were 514,306 head, up 14 percent. The weak Mexican peso and reduced Mexican consumer purchasing power, along with higher U.S. feeder cattle prices, has made exporting cattle to the United States very attractive. Imports of Canadian cattle were down 6 percent to 118,097 head.

During 1986, because of increased imports from Mexico, U.S. cattle imports rose 68 percent to 1.4 million head. Imported cattle accounted for 4 percent of U.S. cattle slaughtered in 1986, compared with an average of 2 percent during 1981-85. Imports during 1987 are expected to be slightly less, at 1.3 million head.

The Mexican Government regulates cattle exports through a quota system to insure that adequate supplies are available for the Mexico City market. The quota is on a September-August year and is based on estimates of domestic production. Only male calves can be exported.

The September-August 1986/87 Mexican cattle export quota was set at 1.07 million head. Because all of the permits have been issued and cattle exports were very heavy during the first part of the year, imports of cattle from Mexico are expected to be light during the summer.

Although U.S. imports of Mexican cattle for September 1986-May 1987 have already reached 1.09 million head, this does not mean that the quota has been exceeded. Statistical discrepancies arising from shipping and reporting delays between Mexican exports and ultimate arrival in the United States would mean that some of the cattle with permits from the previous year's trade period would be reported as arriving in the United States at the beginning of the new trade year.

The quota for 1987/88 has not yet been set, but is expected to be near 1 million head. The Mexican Government prohibited feeder cattle exports during April 20-May 18, because of concern over a possible meat shortage in the Mexico City market. For this reason, it is unlikely that the quota will be raised at this time.

Sheep and Lambs

Lamb and mutton commercial production continues to be below year-ago levels in 1987. June commercial lamb and mutton production was the same as a year ago at 25 million pounds. However, there was one more slaughter day in June 1987. Second quarter 1987 lamb and mutton production was 75 million pounds, down 4 percent from 1986, with first-half lamb and mutton production down 10 percent from a year ago. Third-quarter 1987 production is expected to be down about 6 percent from a year ago at 76 million pounds. Commercial production should be around 80 million pounds in the fourth quarter, down slightly more than 2 percent.

Imports of lamb and mutton were running 14 percent above a year ago on a carcass-weight basis through May. This increase is due entirely to increased mutton imports, which were up 55 percent. Lamb imports were down 5 percent from a year ago through May. New Zealand exports of lamb to the United States were down 62 percent through May. Imports from Australia were up

Table 15--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs and year-lings	Mature sheep	Total 2/	Average dressed weight	Commer-cial produc-tion 2/
	- - 1,000 head - -			Pounds	Mil lb
1984:					
I	1,611	104	1,715	57	98
II	1,544	162	1,706	54	92
III	1,513	146	1,659	53	88
IV	1,559	119	1,678	55	93
Year	6,227	531	6,758	55	371
1985:					
I	1,539	90	1,629	57	93
II	1,363	118	1,481	56	83
III	1,403	114	1,417	56	85
IV	1,460	92	1,551	59	91
Year	5,765	414	6,078	228	352
1986:					
I	1,438	72	1,510	60	89
II	1,246	97	1,344	58	78
III	1,324	80	1,404	51	71
IV	1,306	72	1,378	60	82
Year	3,514	321	5,635	59	330
1987:					
I	1,213	57	1,270	60	76
II	1,211	79	1,290	58	75

1/ Class estimated. 2/ May not add due to rounding.

from a year ago by 51 percent. Australian imports made up about 80 percent of total lamb imports through May.

Per capita consumption of lamb and mutton should reach an all-time low of 1.3 pounds, down from 1.4 pounds last year. This decrease has resulted in record monthly average prices at San Angelo of $94.50 in May 1987. By June the price had declined to about $85, with the late June and early July prices being in the mid $70's, near year-ago levels. Prices in the third quarter are expected to decline seasonally to average $74 to $76. Fourth-quarter prices are expected to average $75 to $79 as supplies start to increase.

Sheep Industry Continues To Show Signs of Expansion

Year-to-date commercial slaughter of sheep and lambs for 1987 continues to be about 10 percent below the same period in 1986. Cumulative commercial mature sheep slaughter for 1987 is down 19 percent from a year ago. This is the third year that mature sheep slaughter has dropped below a year earlier; both 1986 and 1985 were 22 percent below the previous year. As of January 1, 1987 there were 24 percent more ewe lambs in the breeding herd than a year earlier.

Given the large increase in ewe lambs added to the breeding flock, the lambing rate should be above 100 again in 1987. If the lambing rate is set at only 100 percent, the 1987 lamb crop would be 7 percent below 1986. The difference between the decline in commercial slaughter of lambs and the expected decline in the lambs available for slaughter in 1987 would indicate further expansion of the breeding herd for 1988 and increasing production for next year.

Commercial production of lamb and mutton is expected to be near the 1986 level in 1988, at about 330 million pounds. The increases in the breeding herd and expected ewe lamb retention should show up in 1988 as increased production. First-quarter 1988 commercial lamb and mutton production is expected to be about 85 million pounds, up about 12 percent from first-quarter 1987. Part of this increase is a result of year-over-year increased lamb production, and the Easter and Passover holidays occurring earlier in April.

Lamb prices are expected to be below the high levels of 1987 in 1988. High lamb prices this year were the result of substantially lower production levels. With the higher expected production in 1988, the San Angelo choice lamb price should average $70 to $76 per hundredweight. As total meat supplies increase to record levels in 1988 and competing meat prices decline, this likely will have a depressing effect on lamb prices.

Hogs

The June *Hogs and Pigs* report confirmed that hog producers are expanding their breeding herds and plan to increase the number of sows farrowing in second-half 1987. During December 1986-February 1987 the number of sows farrowing rose 4 percent, the first significant quarterly year-over-year rise since June-August 1983. The expansion is in response to the relatively high returns over cash and replacement costs which producers have received since mid-1986.

Table 16--Hogs on farms June 1, farrowings and pig crops, United States

Item	1985	1986	1987	1986/85	1987/86
	------ 1,000 head ------			-- Percent change --	
Inventory	52,250	48,645	52,280	-7	+7
Breeding	6,997	6,390	7,030	-9	+10
Market	45,253	42,255	45,250	-7	+7
Under 60 lb	18,968	17,575	18,970	-7	+8
60-119 lb	11,200	10,525	11,240	-6	+7
120-179 lb	8,245	7,970	8,625	-3	+8
180 + lb	6,840	6,185	6,415	-10	+4
Sows farrowing					
December 1/-February	2,543	2,443	2,547	-4	+4
March-May	3,027	2,793	2,997	-8	+7
December 1/-May	5,571	5,236	5,544	-6	+6
June-August	2,849	2,688		-6	
September-November	2,820	2,732		-3	
June-November	5,667	5,420	2/5,841	-4	+8
Pig crops 1/					
December 1/-February	19,101	18,513	19,656	-3	+6
March-May	23,444	21,800	23,585	-7	+8
December 1/-May	42,545	40,313	43,241	-5	+7
June-August	22,010	20,855		-5	
September-November	21,474	21,115		-2	
June-November	43,484	41,970	3/45,268	-3	+8
		Number			
Pigs per litter					
December 1/-February	7.51	7.58	7.72	+1	+2
March-May	7.74	7.80	7.87	+1	+1
December 1/-May	7.64	7.70	7.80	+1	+1
June-August	7.73	7.76		0	
September-November	7.62	7.73		+1	
June-November	7.67	7.74	3/7.75	+1	0

1/ December preceding year. 2/ Intentions. 3/ Average number of pigs per litter with allowance for trend.

Returns may continue to be above cash and replacement costs for the remainder of 1987. The high returns are due to high hog prices and low feed costs. The higher hog prices are the result of 3-1/2 years of continuous liquidation. The low feed costs are due to high grain production and the Food Security Act of 1985, which was designed to lower grain prices and encourage use.

The inventory of all hogs and pigs in the United States on June 1, 1987 was 52.3 million head, up 7 percent from a year ago. The breeding herd, at 7.03 million head, was 10 percent above a year ago. The market hog inventory totaled 45.3 million head, up 7 percent from a year ago. The December-May pig crop totaled 43.2 million, up 7 percent from a year ago and 2 percent above 2 years ago. The number of sows farrowing in December-May was 5.54 million head, 6 percent more than a year earlier. Pigs saved per litter is a record high 7.8, and compares with 7.7 last year and 7.64 two years ago.

The 7-percent increase in the December-June U.S. pig crop will provide the slaughter hogs to increase pork production in second-half 1987. If pork production rises as expected in the third quarter, this would be the first quarterly year-over-year increase since third-quarter 1985. For the year, pork production is projected to total 14,240 million pounds, up 2 percent from last year and the first significant annual increase since 1983.

The 7-percent increase in total sows farrowing during March-May from a year ago was modest compared to the last expansionary phase of the hog cycle, when sows farrowing during March-May 1983 rose 15 percent. In 1983, a major drought and an acreage reduction program drove up feed prices, while hog prices declined sharply because of

Table 17--Hogs on farms June 1, farrowings and pig crops, 10 States 1/

Item	1984	1985	1986	1987	1986/85	1987/86
	------ 1,000 head ------				--- Percent change ---	
Sows farrowing						
December-February	1,964	1,955	1,863	1,957	-5	+5
March-May	2,481	2,420	2,161	2,337	-11	+8
December-May	4,445	4,375	4,024	4,294	-8	+7
June-August	2,259	2,191	2,034	2,217	-7	+9
September-November	2,316	2,265	2,150	2,294	-5	+7
June-November	4,575	4,456	4,184	4,511	-6	+8
Pig crops						
December 2/-February	14,288	14,690	14,254	15,156	-3	+6
March-May	18,814	18,762	16,878	18,485	-10	+10
December 2/-May	33,102	33,452	31,132	33,641	-7	+8
June-August	17,158	16,941	15,853		-6	
September-November	17,420	17,255	16,729		-3	
June-November	34,578	34,196	32,582		-5	
		Number				
Pigs per litter						
December 2/-February	7.27	7.51	7.65	7.74	+2	+1
March-May	7.58	7.75	7.81	7.91	+1	+1
December 2/-May	7.45	7.65	7.74	7.83	+1	+1
June-August	7.60	7.73	7.79		+1	
September-November	7.52	7.62	7.78		+2	
June-November	7.56	7.67	7.79		+2	

1/ Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, Ohio.
2/ December preceding year. 3/ Intentions.

Table 18--Hogs and pigs, breeding inventory and sow slaughter, United States 1/

Item	1984	1985	1986	1987
		1,000 head		
December 1 breeding 2/	7,391	6,933	6,783	6,717
December-May sow slaughter	2,083	1,918	1,560	1,639
Gilts added December-May	2,093	1,982	1,167	1,952
June 1 breeding	7,401	6,997	6,390	7,030
June-November sow slaughter	2,355	2,109	1,892	
Gilts added June-November	1,887	1,895	2,219	

1/ Estimated commercial. 2/ December previous year.

expanded production and liquidation in the second half of the year. As a result, producers lost money on the hog enterprise. Low producer returns continued until mid-1986.

Also, during the same period, crop returns were low, especially on corn and soybeans. This hit the North Central producers especially hard since most of them are hog/corn/soybean producers. North Central producers raise about four-fifths of the nation's hogs. The slower-than-usual recovery in hog production is linked somewhat with the financial stress created from several years of reduced producer returns. So when hogs turned profitable again, producers appear to have used some of their returns to relieve financial stress and do postponed maintenance on their facilities.

During the 1980's, producers greatly increased the number of pigs produced per breeding animal. The increase came about in two ways: more pigs per litter, and a higher percentage of the breeding herd farrowing. For example, during December 1986-May 1987 producers saved 7.8 pigs per litter compared with 7.23 during December 1979-May 1980. The percentage of the December 1, 1986 breeding inventory farrowing was 83 percent, compared with 75 percent of the December 1, 1979 breeding inventory. So, as a result of increased productivity, pigs produced per breeding animal rose 19 percent over the 7-year period.

The increased productivity probably is the result of better and more intense management

as production units become larger and more specialized. Sows are culled more vigorously if they are low producers or slow breeders. Sows and gilts are bred to produce closely spaced litters. So, producers induce labor to get several litters within a 24-hour period so that the pigs can be equally distributed among the sows. Genetics are also involved in the higher number of pigs saved per litter. The recent large addition of gilts may temporarily slow the increase in pigs per litter, but the overall trend is expected to continue.

Table 19--Sow slaughter balance sheet, 10 States

Item	1984	1985	1986	1987
	Million head			
December 1 breeding 1/	5.6	5.3	5.3	5.2
December-February				
Comm. sow slaughter 2/	.8	.8	.7	.6
Gilts added	.6	.7	.3	.6
March 1 breeding	5.4	5.2	4.9	5.2
March-May				
Comm. sow slaughter 2/	.7	.7	.6	.6
Gilts added	1.1	.9	.5	.7
June 1 breeding	5.8	5.4	4.8	5.3
June-August				
Comm. sow slaughter 2/	.9	.8	.7	
Gilts added	.7	.8	.7	
September 1 breeding	5.6	5.4	4.8	
September-November				
Comm. sow slaughter	.9	.8	.7	
Gilts added	.6	.7	1.1	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

Frozen Pork Stocks Remain Low

Frozen pork stocks on June 30 totaled 189 million pounds, down 24 percent from a year ago and the lowest for this date since 1966. Although stocks of all cuts, with the exception of loins, were lower than last year, the sharpest decline was in hams.

Ham stocks totaled 20.4 million pounds, 53 percent below a year ago and the lowest since 1977. Frozen bellies in storage on June 30 totaled 47.4 million pounds, 23 percent below a year ago.

Low production and high prices in the second quarter, along with expected higher production in second-half 1987, gave little incentive to place pork products in storage for removal during the third and fourth quarters. Despite the low ham stocks, seasonal price rises should be moderate because of increased pork production in the third and fourth quarters and pressure from large turkey production and stocks.

Table 20--Breeding inventory, December 1 and June 1, and sow farrowings by quarter, United States

Year	Breeding inventory Dec. 1 1/	Sows farrowed: December-February Number	December-February Percentage of Dec. 1 breeding	March-May Number	March-May Percentage of Dec. 1 breeding	Breeding inventory June 1	Sows farrowed: June-August Number	June-August Percentage of June 1 breeding	September-November Number	September-November Percentage of June 1 breeding
	- - 1,000 head - -		Percent	1,000 head	Percent	- - 1,000 head - -		Percent	1,000 head	Percent
1970	9,189	2,718	29.6	4,389	47.8	10,630	3,476	32.7	3,400	32.0
1971	9,645	2,984	30.9	4,253	44.1	9,748	3,211	32.9	3,128	32.1
1972	8,475	2,627	31.0	3,871	45.7	9,147	3,001	32.8	2,972	32.5
1973	8,650	2,678	31.0	3,760	43.5	8,988	2,957	32.9	2,912	32.4
1974	8,605	2,652	30.8	3,663	42.6	8,823	2,859	32.4	2,617	29.7
1975	7,389	2,159	29.2	2,814	38.1	7,358	2,507	34.1	2,445	33.2
1976	7,574	2,456	32.4	3,321	43.8	8,388	2,965	35.3	2,885	34.4
1977	8,011	2,742	34.2	3,308	41.3	8,688	3,087	35.5	2,922	33.6
1978	8,604	2,752	32.0	3,282	38.1	8,857	3,176	35.9	3,222	36.4
1979	9,605	3,183	33.1	3,993	41.6	10,368	3,766	36.3	3,556	34.3
1980	9,645	3,317	34.4	3,913	40.6	9,481	3,410	36.0	3,445	36.3
1981	9,118	2,914	32.0	3,526	38.7	8,358	3,197	38.3	3,071	36.7
1982	7,844	2,627	33.5	3,037	38.7	7,414	2,891	39.0	2,993	40.4
1983	7,475	2,808	37.6	3,494	46.7	8,113	3,174	39.1	3,003	37.0
1984	7,391	2,563	34.7	3,131	42.4	7,401	2,955	39.9	2,902	39.2
1985	6,933	2,543	36.7	3,027	43.7	6,997	2,849	40.7	2,820	40.3
1986	6,783	2,443	36.0	2,793	41.2	6,390	2,688	42.1	2,732	42.8
1987	6,717	2,547	37.9	2,997	44.6	7,030				

1/ Previous year.

Pork Production To Increase

Commercial pork production in the third quarter is projected at 3,500 million pounds, up 8 percent from a year ago. Third-quarter slaughter is largely drawn from the inventory of market hogs weighing 60-179 pounds on June 1, and that inventory was up 7 percent from a year ago. Third-quarter hog slaughter is estimated to be 5 to 7 percent above a year ago, and the average dressed weight may be 2 to 4 pounds heavier than last year's 174 pounds.

Commercial pork production in fourth-quarter 1987 is forecast at 3,875 million pounds, up 7 percent from a year ago. The fourth-quarter slaughter will be drawn principally from the inventory of market hogs weighing under 60 pounds on June 1, which was up 8 percent from a year ago. Commercial slaughter is projected to be up 6 to 8 percent from a year ago. The average weight may be a pound lighter than 1986's 178 pounds.

Commercial pork production is expected to total about 14,240 million pounds in 1987, up 2 percent from a year ago. Commercial slaughter may total about 80.5 million head, up 1 percent from a year ago, while the average dressed weight may be slightly higher than last year's 176 pounds.

Hog producers intend to have 8 percent more sows farrow during June-November than a year ago at both the U.S. and 10-State level. At the 10-State level, producers intend to have 9 percent more sows farrow in June-August than a year earlier, while September-November intended farrowings are up 7 percent from last year. If producers follow their intentions and pigs saved per litter continues to trend upward, the June-November pig crop will be up 8 to 9 percent.

Recent pig crop/slaughter relationships suggest a hog slaughter in first-half 1988 up 11 to 12 percent from a year earlier. In second-quarter 1987, hog slaughter was lower than the historical relationship between the previous year's September-November pig crop. The average dressed weight will likely remain about the same as in 1987. Therefore, commercial production would be up about 12 percent.

Although corn supplies in second-half 1987 and early 1988 will be large, declining net returns to producers may dampen the expansion in hog numbers. The December-May pig crop may be up 7 to 9 percent, with pigs saved per litter remaining high. Commercial production may also increase 7 to 9 percent in second-half 1988

Table 21--Spring pig crop and hog slaughter

Year	Pig crop March-May	Commercial hog slaughter, Oct.-Dec.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	28,603	24,641	86.1
1981	26,560	24,026	90.5
1982	22,816	20,825	91.3
1983	26,532	24,334	91.7
1984	23,646	22,743	96.2
1985	23,444	21,721	92.7
1986	21,800	20,330	93.3
1987	23,585		

Table 22--Summer pig crop and hog slaughter, 1980-86

Year	Pig crop June-Aug.	Commercial hog slaughter Jan.-Mar. 1/	Slaughter as percent of pig crop
	- - 1,000 head - -		Percent
1980	24,417	23,678	97.0
1981	23,548	21,714	92.2
1982	21,383	20,212	94.5
1983	23,361	21,806	93.3
1984	22,346	20,871	93.4
1985	22,010	20,379	92.6
1986	20,855	19,938	95.6

1/ January-March of the following year.

Table 23--Fall pig crop and hog slaughter, 1980-86

Year	Pig crop Sept.-Nov.	Commercial hog slaughter Apr.-June 1/	Slaughter as percent of pig crop
	- - 1,000 head - -		Percent
1980	25,015	22,594	90.3
1981	22,700	20,712	91.2
1982	22,231	21,666	97.5
1983	22,385	21,123	94.4
1984	21,837	21,343	97.7
1985	21,474	20,316	94.6
1986	21,115	18,901	89.5

1/ April-June of the following year.

Table 24--Federally inspected hog slaughter

Week ended	1985	1986	1987
		Thousands	
Jan. 1 1/	1,238	1,153	1,069
5	1,295	1,282	1,258
12	1,679	1,675	1,683
19	1,615	1,654	1,659
26	1,528	1,563	1,527
Feb. 2	1,565	1,506	1,500
9	1,582	1,526	1,455
16	1,508	1,512	1,502
23	1,539	1,501	1,395
Mar. 2	1,608	1,606	1,533
9	1,635	1,635	1,555
16	1,638	1,650	1,577
23	1,647	1,556	1,573
30	1,642	1,579	1,500
Apr. 6	1,569	1,518	1,529
13	1,623	1,633	1,553
20	1,676	1,651	1,468
27	1,662	1,619	1,393
May. 4	1,702	1,637	1,453
11	1,699	1,607	1,475
18	1,705	1,560	1,440
25	1,580	1,518	1,445
June 1	1,361	1,310	1,226
8	1,592	1,471	1,383
15	1,561	1,459	1,372
22	1,535	1,373	1,341
29	1,476	1,330	1,364
July 6	1,171	1,118	1,192
13	1,523	1,390	1,328
20	1,427	1,349	1,345
27	1,400	1,281	1,348
Aug. 3	1,474	1,314	
10	1,556	1,338	
17	1,524	1,368	
24	1,531	1,402	
31	1,601	1,419	
Sept. 7	1,429	1,257	
14	1,690	1,492	
21	1,667	1,504	
28	1,681	1,504	
Oct. 5	1,644	1,521	
12	1,686	1,555	
19	1,620	1,529	
26	1,654	1,551	
Nov. 2	1,668	1,580	
9	1,654	1,576	
16	1,654	1,537	
23	1,697	1,557	
30	1,328	1,308	
Dec. 7	1,656	1,530	
14	1,566	1,548	
21	1,655	1,503	
28	1,153	1,070	

1/ Corresponding dates-1985: December 29, 1984; 1986 December 28, 1985; 1987 December 27, 1986.

over the comparable period in 1987. The hog cycle may be in an expansionary phase in 1988, but lower returns due to the expected sharp decline in hog prices may cause it to plateau or go into a declining phase.

Hog Prices Expected to Decline

Hog prices averaged $56 per cwt in the second quarter, up $9 from a year ago. The high second-quarter hog prices were the result of a 7-percent decline in pork production, low frozen pork stocks, and an 8-percent decline in beef production. Hog prices at the 7 major markets averaged $61.85 per cwt in July, one of the highest on record. The record monthly hog price was in August 1986 at $63.39 per cwt. As pork production picks up during the third quarter, prices are expected to decline but still average in the mid $50's per cwt. In the fall, prices may decline to the mid $40's, as increased pork production has to compete more with the double-digit increase in poultry production. In addition, burdensome turkey stocks are expected to pressure hog prices.

Hog prices are projected to average in the high $30's to low $40's per cwt in 1988, compared to a $50-52 average in 1987. Pork production likely will be sharply higher, while beef production declines moderately. However, poultry is expected to continue its uptrend, pressuring hog prices.

Retail Pork Prices to Decline

Composite retail pork prices averaged $1.84 a pound in first-half 1987, up 11 percent from a year ago. The farm-to-retail price spread averaged 99 cents a pound, up 6 percent from a year earlier, and the net farm value rose 16. Retail pork prices in the third quarter will likely average near the second quarter's $1.83 a pound, then decline to the mid-$1.70's in the fourth quarter as pork production rises on a year-over-year basis and frozen turkey stocks become burdensome. Large turkey supplies are expected to pressure ham prices, which rise seasonally due to holiday demand.

For all of 1987, retail pork prices are expected to average slightly above 1986's $1.79 a pound. With the expected increase in pork production in 1988, retail prices for the year may decline 5 to 9 percent from 1987. The farm-to-retail price spread is expected to

Table 25--Commercial hog slaughter 1/ and production

Year	Barrows and gilts	Sows	Boars	Total 2/	Average dressed weight	Commercial production 2/
	- - - 1,000 head - - -				Pounds	Million pounds
1984:						
I	20,548	1,024	234	21,806	171	3,738
II	19,885	989	249	21,123	174	3,670
III	18,072	1,184	240	19,496	172	3,355
IV	21,310	1,197	236	22,743	174	3,957
Year	79,815	4,394	959	85,168	173	14,720
1985:						
I	19,726	927	217	20,871	173	3,618
II	20,171	947	225	21,343	175	3,743
III	19,260	1,075	222	20,556	173	3,553
IV	20,445	1,065	211	21,721	176	3,814
Year	79,602	4,015	875	84,492	174	14,726
1986:						
I	19,272	920	187	20,379	175	3,570
II	19,224	896	196	20,316	176	3,568
III	17,364	999	210	18,573	174	3,237
IV	19,224	927	179	20,330	178	3,623
Year	75,084	3,742	772	79,598	176	13,998
1987: 3/						
I	19,006	772	170	19,938	178	3,540
II	17,867	846	188	18,901	176	3,325

1/ Classes estimated. 2/ Totals may not add due to rounding. 3/ Preliminary.

Table 26--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Sept. '86 Jan. '87	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. '87 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.
Expenses: ($/head)										
40-50 lb feeder pig	59.63	53.23	50.00	47.69	47.00	53.96	54.98	56.00	51.66	45.89
Corn (11 bu)	15.29	14.52	15.84	16.28	15.84	15.18	15.84	16.61	18.04	18.70
Protein supplement (130 lb)	17.16	17.16	17.16	17.16	17.29	17.29	17.29	17.03	17.03	17.03
Total feed	32.45	31.68	33.00	33.44	33.13	32.47	33.13	33.64	35.07	35.73
Labor & management (1.3 hr)	10.92	10.61	10.61	10.61	10.61	10.61	10.61	11.13	11.13	11.13
Vet medicine 2/	2.63	2.58	2.58	2.58	2.59	2.59	2.59	2.64	2.64	2.64
Interest on purchase (4 months)	2.35	2.00	1.88	1.80	1.74	2.00	2.03	2.03	1.88	1.67
Power, equip., fuel, shelter depreciation 2/	6.39	6.27	6.27	6.27	6.28	6.28	6.28	6.41	6.41	6.41
Death loss (4% of purchase	2.39	2.13	2.00	1.91	1.88	2.16	2.20	2.24	2.07	1.84
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscel. & indirect costs 2/	.65	.64	.64	.64	.64	.64	.64	.66	.66	.66
Total	119.03	110.76	108.60	106.56	105.49	112.33	114.08	116.37	113.14	107.59
Selling Price Required To Cover: ($/cwt)										
Feed and feeder costs (220 lb)	41.85	38.60	37.73	36.88	36.42	39.29	40.05	40.75	39.42	36.78
All costs (220 lb)	54.10	50.35	49.37	48.44	47.95	51.06	51.85	52.90	51.43	48.90
Feed cost per 100-lb gain (180 lb)	18.03	17.60	18.33	18.58	18.41	18.04	18.41	18.69	19.48	19.85
Barrows and gilts, 7 markets	47.39	48.73	48.22	51.85	55.58	61.08				
Net margin	-6.71	-1.62	-1.15	3.41	7.63	10.02				
Prices:										
40-lb feeder pig (So. Missouri) $/head	59.63	53.23	50.00	47.69	47.00	53.96	54.98	56.00	51.66	45.89
Corn $/bu 3/	1.39	1.32	1.44	1.48	1.44	1.38	1.44	1.51	1.64	1.70
Protein supp. (38-42%) $/cwt 4/	13.20	13.20	13.20	13.20	13.30	13.30	13.30	13.10	13.10	13.10
Labor & management $/hr 5/	8.40	8.16	8.16	8.16	8.16	8.16	8.16	8.56	8.56	8.56
Interest rate (annual)	11.80	11.30	11.30	11.30	11.10	11.10	11.10	10.90	10.90	10.90
Transportation rate $/cwt (100 miles) 6/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1109	1089	1089	1089	1091	1091	1091	1112	1112	1112

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

Table 27--Farrow-to-finish hog production costs and returns, 1,600 head annual sales, North Central Region, per cwt sold

Item	1986		1987										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Cash receipts: 2/													
Market hogs (94.25 lbs)	50.27	48.74	45.06	45.92	45.13	48.25	51.94	57.30	57.88				
Cull sows (5.75 lbs)	2.68	2.42	2.42	2.37	2.38	2.59	2.61	2.60	2.58				
Total	52.95	51.16	47.48	48.29	47.51	50.84	54.55	59.90	60.45				
Cash expenses													
Feed--3/													
Corn (345.6 lbs)	12.81	11.40	10.17	9.97	10.57	10.67	9.91	9.06	8.79	8.95	9.75	9.95	9.33
Soybean meal (70.6 lbs)	6.87	6.92	6.95	6.98	7.02	6.99	6.83	6.83	6.83	6.89	6.89	6.89	7.32
Mixing concentrates (14.3 lbs)	2.90	2.90	2.90	2.89	2.89	2.89	2.89	2.89	2.89	2.84	2.84	2.84	2.84
Total feed	22.58	21.22	20.02	19.84	20.48	20.55	19.63	18.78	18.51	18.68	19.48	19.68	19.49
Other--													
Veterinary and medicine 4/	0.75	0.75	0.75	0.74	0.74	0.74	0.74	0.74	0.74	0.73	0.73	0.73	0.73
Fuel, lube, and electricity	1.49	1.49	1.49	1.43	1.43	1.43	1.44	1.44	1.44	1.46	1.46	1.46	1.48
Machinery and building repairs	2.41	2.41	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.41	2.41	2.42	2.42
Hired labor 5/	1.29	1.29	1.28	1.28	1.28	1.29	1.29	1.29	1.27	1.27	1.27	1.27	1.27
Miscellaneous	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Total, variable expenses	29.13	27.77	26.55	26.30	26.94	27.02	26.11	25.26	24.97	25.16	25.96	26.17	26.00
General farm overhead	1.38	1.33	1.66	1.66	1.64	1.75	1.88	2.06	1.26	1.89	1.89	1.55	1.55
Taxes and insurance	0.68	0.68	0.68	0.64	0.64	0.64	0.64	0.64	0.62	0.85	0.85	0.85	0.63
Interest	4.56	4.41	4.12	4.19	4.12	4.41	4.63	5.09	4.17	4.64	4.64	3.79	3.76
Total, fixed expenses	6.62	6.42	6.46	6.49	6.40	6.80	7.15	7.79	6.05	7.38	7.38	6.19	5.94
Total, cash expenses 6/	35.75	34.19	33.01	32.79	33.34	33.82	33.26	33.05	31.02	32.54	33.34	32.36	31.94
Receipts less cash expenses	17.20	16.97	14.47	15.50	14.17	17.02	21.29	26.85	29.43				
Capital replacement	5.70	5.70	5.87	5.80	5.80	5.80	5.85	5.85	5.85	5.82	5.82	5.82	5.84
Receipts less cash expenses and replacements	11.50	11.27	8.60	9.70	8.37	11.22	15.44	21.00	23.58				

1/ The feed rations and expense items do not necessarily coincide with the experience of individual hog operations and are an average of a group of operators. For individual use, adjust expenses and prices for for management, production levels and locality of operation. 2/ Cash receipts are based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Feed costs are based on 345.6 lb of corn and 70.3 lb soybean meal, 14.6 lb of mixing concentrates. 4/ The veterinary and medicine expense includes costs for feed medication, that is usually included as part of the feed cost. 5/ Hired labor charge is based on .204 hours per cwt of liveweight hog marketed. 6/ Cash expenses do not include a charge for family or operator labor (.732 hours) or a charge for land and fixed assets.

widen, perhaps 3 to 7 percent higher than in 1987. Price spreads in 1987 are expected to average 2 to 4 percent higher than in 1986.

Imports of Hogs Down, Pork Up

U.S. imports of live hogs reached 180,735 head during January-May 1987, down 12 percent from the same period last year. Since imposition of the countervailing duty of $Can4.386 per cwt on Canadian hogs, imports have fallen dramatically. Imports of pork from Canada increased 20 percent to 228 million pounds during January-May 1987. Total imports from Canada of pork and hogs on a carcass-weight basis increased 15 percent.

Imports of Canadian hogs are expected to drop to .3-.4 million during 1987, down from .5 million last year. Hog imports were held up in the first half by the favorable price spread between U.S. and Canada hog prices. Hog imports should decline faster during the latter part of this year, as U.S. pork output increases and prices decline.

Imports of pork during January-May 1987 were up 9 percent to 482 million pounds carcass weight. Canadian pork imports were up, but Danish pork fell 8 percent to 137 million pounds. Although EC export restitutions for pork have been raised, they have not yet countered the negative effect on U.S. imports of Danish pork caused by the strengthening of the Danish krone against the dollar.

POULTRY AND EGGS

Production of broilers, turkeys, and eggs for the remainder of 1987 are all expected to be greater than 1986. Large supplies of all poultry products and expanding pork supplies will keep prices below a year ago.

Eggs

Egg production during the second half of 1987 is expected to be about 1 percent above 1986. Prices during the second half of 1987 will likely be lower than last year due to greater production, relatively unchanged levels of egg consumption, and large meat

supplies. During 1988, production may be close to the 1987 level.

First-Half Production Up

Egg production during the first half of 1987 totaled 2,876 million dozen, up 1 percent from the previous year. Potential layers on July 1, 1987 for 20-selected States were up 1.5 percent over a year ago, and the lay rate on July 1 showed no increase over the previous year. Thus, second-half production should be up about 1 percent.

Egg production during 1988 should fall slightly from 1987 as producers experience near breakeven prices during the last half of 1987 and through 1988. Estimated placements in the hatchery supply flock for January 1988 are down 2 percent from January 1987, indicating a reduction in potential layers and hence lower production during the second half of 1988.

Table 28--Layers on farms and eggs produced, 1986-87 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1986	1987	1986	1987	1986	1987
	- Millions -		- Number -		Million dozen	
I	280	283	60.9	60.9	1,421.9	1,435.9
II	277	280	62.7	63.0	1,446.8	1,472.7
III	273		62.4		1,418.0	
IV	278		61.5		1,422.8	
Annual	277		247.5		5,709.5	

1/ Marketing year beginning December 1.

Egg Prices Weaken

Large supplies and reduced exports have put downward pressure on prices. The wholesale price of cartoned Grade A large eggs in New York during the first half of 1987 was 62 cents, 7 cents below a year ago. Second quarter prices averaged 59 cents per dozen, down from 63 cents for the same period of 1986. Prices in the second half of 1987 are expected to average 60-65 cents per dozen, down from 73 cents last year. With the expected reduction in the laying flock during 1988, prices should remain in the low to mid 60-cent-per-dozen range.

Same Domestic Use; Reduced Exports and Imports

Consumption of shell eggs and the shell-egg equivalent of egg products during first-half 1987 totaled an estimated 125 eggs per person, nearly the same as the first half of 1986. The expansion in broiler production and increased replacement pullets resulted in more eggs being used for hatching purposes.

Table 29--Force moltings and light-type hen slaughter, 1985-87

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection 2/ (Number of Head)		
	Being molted			Molt completed					
	1985	1986	1987	1985	1986	1987	1985	1986	1987
	- - - - Percent - - - -						- - - Thousands - - -		
January	2.3	3.6	4.2	17.8	25.2	20.9	18,928	13,890	13,004
February	4.6	4.8	4.6	16.6	23.5	19.1	13,674	12,221	13,196
March	3.8	4.2	3.8	15.6	24.4	20.1	13,311	14,201	13,451
April	3.0	2.8	2.8	15.6	24.0	19.6	13,819	14,761	14,428
May	5.6	5.4	5.4	14.6	22.1	18.8	12,336	13,277	12,747
June	6.0	4.4	6.4	16.0	22.8	18.5	9,079	14,886	
July	5.4	5.4	4.7	19.1	21.9	20.5	9,774	12,399	
August	4.4	3.9		20.3	21.4		10,204	11,700	
September	4.9	3.9		21.2	20.8		9,317	11,231	
October	5.8	4.7		21.6	20.2		9,336	12,472	
November	5.3	4.2		23.6	20.7		9,170	10,019	
December	3.2	2.5		25.2	22.0		13,127	13,006	

1/ Percent of hens and pullets of laying age in 15 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Exports of shell eggs and the shell-egg equivalent of egg products for January through May, at 39 million dozen, were 4 percent below the same period a year ago. Sales to Japan, though down 18 percent compared to the first 5 months of 1986, still account for 55

Table 30--Egg-type chick hatchery operations, 1985-1987

Month	Hatch			Eggs in incubator first of month		
	1985	1986	1987	1985	1986	1987
	- - Thousands - -			- - Percent - -		
Jan.	28,289	34,538	34,175	-20	+13	+5
Feb.	28,419	34,826	35,176	-24	+25	+4
Mar.	36,923	39,523	42,339	-23	+11	+5
Apr.	40,873	42,359	42,066	-17	+5	-2
May	38,967	42,465	41,422	-19	+5	+1
June	33,838	37,253	38,003	-26	+6	+1
July	32,094	33,575		-18	+10	-4
Aug.	32,503	33,382		-11	+2	
Sept.	33,568	32,638		0	-2	
Oct.	33,593	32,444		+7	-3	
Nov.	33,606	27,456		+15	-19	
Dec.	34,164	33,262		+25	-4	

Table 31--Shell eggs broken and egg products produced under Federal inspection, 1986-87

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1986				
January	67,415	50,206	28,122	6,574
February	61,356	46,368	24,252	6,556
March	59,034	45,856	23,221	5,429
April	74,396	55,105	30,434	7,760
May	74,076	58,477	27,510	8,529
June	78,479	61,323	30,830	7,724
July	78,719	59,815	31,381	7,229
August	74,041	56,353	28,228	7,102
September	72,314	55,668	27,516	6,578
October	80,077	61,450	32,255	8,045
November	63,605	50,759	26,584	6,481
December	73,929	54,255	31,866	8,084
1987				
January	73,724	60,730	29,042	8,981
February	71,122	56,722	27,250	8,159
March	80,467	62,181	31,909	8,725
April	74,135	59,667	27,750	8,428
May	77,451	63,678	28,307	9,242
June	85,391	70,737	27,781	9,788

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption and for processing.

Table 32--Egg prices and price spreads, 1986-87

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents per dozen												
Farm price 1/													
1986	58.3	54.0	61.4	49.2	48.8	42.1	51.9	55.3	55.4	50.3	60.0	58.3	53.8
1987	51.5	50.0	46.0	46.5	40.1	41.2							
New York (cartoned) 2/ Grade A, large													
1986	73.3	68.3	80.8	65.7	65.2	59.2	73.0	72.8	72.6	69.6	77.2	75.5	71.1
1987	67.1	65.2	62.0	62.4	55.6	58.7							
4-region average, Grade A, large Retail price													
1986	90.1	86.6	88.7	89.0	82.0	79.5	83.3	91.3	86.8	85.5	89.7	91.0	87.0
1987	86.2	82.3	80.0	78.6	76.3	--							
Price spreads Retail-to-consumer													
1986	14.9	17.2	10.0	21.9	16.8	20.5	12.1	18.8	14.3	15.4	11.7	14.4	15.7
1987	17.4	14.5	16.5	15.3	20.8	17.9							
	1967=100												
Consumer price index													
1986	194.4	186.7	190.8	188.8	173.7	166.9	175.2	192.9	186.0	186.2	195.8	198.6	186.3
1987	193.2	187.4	180.0	174.6	169.5	161.2							

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982. 2/ Price to volume buyers.

Table 33--Shell eggs: Supply and utilization by quarters, 1985-87 1/

Year	Supply: Beginning stocks	Production	Hatching use 2/	Eggs broken	Imports	Total supply	Utilization: Ending stocks	Exports and shipments	Military	Civilian disappearance: Total	Per capita 3/
	- - - - Million dozen - - - -										Number
1985											
I	0.9	1,430.5	136.1	182.7	0.9	1,113.5	0.7	13.9	4.4	1,094.5	55.6
II	.7	1,407.5	139.7	216.7	2.3	1,054.1	.6	15.0	5.1	1,033.5	52.4
III	.6	1,407.7	133.7	214.1	1.1	1,061.6	.7	12.9	4.0	1,044.0	52.8
IV	.7	1,442.8	138.6	199.1	4.3	1,110.0	.7	14.2	4.3	1,090.8	55.0
Year	.9	5,688.4	548.1	812.6	8.6	4,337.2	.7	56.0	17.8	4,262.7	215.7
1986											
I	.7	1,423.3	139.6	187.8	3.0	1,100.8	.6	13.0	4.3	1,082.9	54.5
II	.6	1,421.2	144.7	227.0	3.3	1,053.6	1.1	12.4	3.8	1,036.3	52.0
III	1.1	1,413.3	140.9	225.1	1.2	1,049.7	.9	13.5	4.0	1,031.3	51.7
IV	.9	1,457.2	141.1	217.6	3.4	1,102.7	.7	13.9	3.9	1,084.2	54.2
Year	.7	5,714.9	565.9	857.4	11.0	4,303.3	.7	52.7	16.0	4,233.9	239.4
1987 4/											
I	.7	1,442.5	147.5	225.3	1.9	1,072.3	1.0	14.1	3.9	1,053.3	52.5
II	1.0	1,433.3	153.6				1.1				

1/ Totals may not add because of rounding. 2/ Hatching use for 1986 calculated by the new method. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 34--Total eggs: Supply and utilization by quarters, 1985-87

Year	Supply: Production	Imports 1/	Beginning stocks	Total supply	Utilization: Ending stocks 1/	Exports and shipments 1/	Eggs used for hatching	Military 1/	Domestic disappearance: Civilian: Total	Per capita 2/
	- - Million dozen - -									Number
1985										
I	1,430.5	2.2	11.1	1,443.8	11.0	24.5	136.1	5.1	1,267.2	64.4
II	1,407.5	3.3	11.0	1,421.8	12.2	24.5	139.7	5.6	1,239.7	62.8
III	1,407.7	2.3	12.2	1,422.2	13.1	25.0	133.7	4.5	1,245.9	63.0
IV	1,442.8	4.9	13.1	1,460.8	10.7	27.0	138.6	5.0	1,279.4	64.5
Year	5,688.4	12.7	11.1	5,712.2	10.7	101.0	548.1	20.2	5,032.2	254.7
1986										
I	1,423.3	3.6	10.7	1,437.5	8.7	33.4	139.2	4.6	1,251.6	63.0
II	1,421.2	4.0	8.7	1,433.9	11.9	28.2	144.7	4.2	1,245.0	62.5
III	1,413.3	2.2	11.9	1,427.4	11.5	36.5	140.9	4.5	1,234.0	61.8
IV	1,457.2	3.9	11.5	1,472.6	10.4	31.5	141.1	4.2	1,285.4	64.2
Year	5,714.9	13.7	10.7	5,739.3	10.4	129.6	565.9	17.5	5,016.0	251.4
1987 3/										
I	1,442.5	2.6	10.4	1,455.5	11.9	31.0	147.5	4.5	1,260.6	62.8
II	1,433.3		11.9		13.9		153.6			

1/ Shell eggs and the approximate shell-egg equivalent of egg products. 2/ Calculated from unrounded data. 3/ Preliminary.

percent of total U.S. egg exports. Canada, the next largest market, accounts for 16 percent of U.S. exports, followed by Hong Kong at 10 percent. May exports were up 8 percent, reflecting, at least partially, falling U.S. egg prices. Export gains to Hong Kong and the Dominican Republic resulted largely from the Export Enhancement Program. However, egg sales under the EEP have been relatively slow. As of July, only 8 percent of the target was achieved.

Table 35--U.S. egg exports (1,000 dozens) to major importers, January-May, 1986-1987 1/

Country or Area	1986	1987
Japan	26004	21281
Canada	5143	6236
Hong Kong	2791	4090
Dominican Republic	438	938
Trinidad-Tobago	895	929
Jamaica	346	705
Haiti	281	677
Mexico	1564	433
Switzerland	492	384
Denmark	34	378
Federal Rep of Germany	501	370
Suriname	220	279
United Kingdom	329	250
Barbados	209	187
Panama(inc. Canal Zone)	54	152
Netherlands Antilles	76	132
Netherlands	19	131
Colombia	76	125
Austria	24	103
Pacific Is (Trust Terr)	132	0
Other	1066	1209
Total	40694	38989

1/ Shell, and shell equivalent of egg products.

U.S. imports of shell eggs and shell-egg equivalent of egg products for the January through May period dropped 37 percent from 1986 to 1987, to 3.5 million dozen. Canada supplied about 45 percent of the egg imports, followed by Israel with 24 percent and the Netherlands with 23 percent of total imports.

Broilers

Broiler production is expected to continue to increase during the second half of 1987 and through 1988. Overall red meat and poultry per capita supplies are expected to increase about 2 percent in 1988. In addition, larger broiler supplies will likely be consumed through about the same channels as in the past year. Without changes in either of these factors or external supply-decreasing factors, there will be pressure on prices to remain at or below current levels.

Output Continues To Rise

Federally inspected broiler meat production for the first half of 1987 was up approximately 8 percent over the same period last year. Chick placements for first-half slaughter were 7 percent greater than the previous year. Slaughter weights were up 1 percent.

Table 36--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1986-87

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks						
				Monthly placements			Cumulative placements 7-14 months earlier			
	1985	1986	1987	1985	1986	1987	1985	1986	1987	1988
	Thousands									
January	401,666	409,336	439,605	3,471	3,395	4,077	27,277	27,483	29,039	33,028
February	364,542	376,092	406,139	3,017	3,420	3,699	27,286	27,940	29,427	
March	418,842	432,871	457,224	3,603	3,675	4,111	26,771	27,374	29,523	
April	411,739	424,078	454,271	3,884	4,062	4,713	26,647	27,156	29,722	
May	423,991	438,623	471,162	3,672	3,938	4,055	26,733	27,321	30,148	
June	410,815	428,691	458,337	3,162	3,515	4,181	26,225	27,002	30,242	
July	407,502	429,883		3,400	3,672		25,944	26,868	30,603	
August	406,426	415,991		3,165	3,846		25,895	26,591	30,742	
September	380,138	401,676		3,253	3,594		25,513	26,849	30,926	
October	382,559	416,193		3,182	3,846		25,981	27,124	31,365	
November	379,050	402,582		3,284	3,769		26,790	28,021	32,232	
December	414,886	437,287		3,750	4,423		27,384	28,706	32,693	

Table 37--Broilers: Eggs set and chicks placed weekly in 12 commercial States, 1985-87 1/

Period 2/ Month and day 2/	Eggs set 1985/86	Eggs set 1986/87	Eggs set Percent of previous year	Chicks placed 1985/86	Chicks placed 1986/87	Chicks placed Percent of previous year
	- - - Thousands - - -		Percent	- - - Thousands - - -		Percent
November						
15	107,572	111,920	104	74,717	78,065	104
22	107,422	112,435	105	82,146	82,639	101
29	106,877	111,341	104	81,550	86,872	107
December						
6	105,019	107,487	102	83,167	87,094	105
13	105,241	112,528	107	82,417	86,360	105
20	104,540	112,441	108	82,615	86,154	104
27	105,738	110,972	105	80,671	82,636	102
January						
3	105,736	112,239	106	80,302	87,426	109
10	104,929	112,724	107	80,928	86,370	107
17	104,770	112,986	108	81,859	85,671	105
24	105,404	112,882	107	81,538	86,904	107
31	108,075	112,933	104	80,854	86,482	107
February						
7	108,648	112,014	103	79,608	86,509	109
14	109,104	111,216	102	80,688	87,285	108
21	109,829	115,079	105	82,934	87,483	105
28	109,177	116,488	107	82,907	87,031	105
March						
7	109,856	116,092	106	83,467	86,840	104
14	109,260	115,863	106	84,160	88,959	106
21	108,250	114,802	106	85,298	90,621	106
28	110,140	117,294	106	85,881	90,026	105
April						
4	110,460	117,906	107	85,443	90,398	106
11	110,677	118,570	107	83,207	88,828	107
18	110,395	117,036	106	85,469	90,892	106
25	108,137	116,867	108	85,332	92,382	108
May						
2	111,255	115,800	104	85,533	92,095	108
9	110,057	118,008	107	85,285	91,205	107
16	111,227	118,061	106	83,996	90,402	108
23	111,069	117,457	106	86,487	90,787	105
30	111,279	119,221	107	85,652	91,809	107
June						
6	111,516	118,544	106	86,167	91,569	106
13	110,795	117,910	106	85,494	91,223	105
20	110,838	118,958	107	85,975	92,237	107
27	105,571	115,530	109	85,939	93,224	109
July						
4	110,117	109,321	99	85,830	91,955	107
11	109,891	115,523	105	86,494	91,740	106
18	110,171	113,937	103	81,253	90,144	111
25	109,324			84,366		
August						
1	108,800			83,908		
8	106,725			82,990		
15	106,058			81,299		
22	108,128			80,056		
29	108,137			77,814		
September						
5	105,998			79,070		
12	105,154			80,804		
19	103,796			82,698		
26	106,794			80,765		
October						
3	109,679			80,844		
10	107,956			79,043		
17	100,314			81,120		
24	103,092			83,824		
31	108,830			81,482		
November						
7	112,545			76,349		

1/ 12 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., Tex., and Va. 2/ Weeks in 1986/87 and corresponding weeks in 1985/86.

Broiler production is expected to continue rising during the second half of the year, increasing by approximately 9 percent over the previous year. Current costs and returns information for broiler production indicate that profit margins are positive but narrowing substantially. Broiler chick hatchings show little evidence of decreasing, with almost 7 percent more chicks hatched in June 1987 than in June 1986. The broiler supply flock, estimated to be almost 14 percent larger in January 1988 than in January 1987, is fully capable of sustaining the increase. Thus, there is only a small likelihood of a cutback in production.

Table 38--Federally inspected young chicken slaughter, 1986-87

Year	Number	Average weight	Live-weight pounds	Certified RTC
	Million	Pounds	Million	Pounds
1986				
I	1,099	4.30	4,722	3,414
II	1,189	4.24	5,045	3,673
III	1,196	4.17	4,988	3,620
IV	1,159	4.25	4,921	3,558
Year	4,643	4.24	19,676	14,266
1987				
I	1,187	4.33	5,145	3,728
II	1,246	4.29	5,341	3,888

Production in 1988 is expected to increase over 1987, but at a slower rate. The estimated 8 percent increase for 1987 over last year is expected to slow to approximately 5 percent for 1988. Expectations of slightly larger per capita supplies of red meat and poultry and lower prices should slow the expansion. With the broiler hatchery supply flock estimated at approximately 14 percent greater than a year ago, producers are expected to expand production by 6 to 7 percent during the first half of 1988. Prices at the beginning of 1988 will greatly influence the number of eggs set in incubators for broiler production. As usual, limitations on expansion may depend on the capacity of grow-out houses and slaughter plants, and on whether there appear to be sufficient incentives in the industry to induce expanded facilities.

Broiler Prices Down From Last Year

The 12-city wholesale broiler price in the second quarter dropped 11 percent, to around 48 cents per pound compared to 54 cents a

Table 39--Young chicken prices and price spreads, 1986-87

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Cents per pound												
Farm price 1/													
1986	30.6	29.2	29.7	29.5	32.2	35.4	42.7	43.9	36.5	39.3	34.9	30.6	34.5
1987	31.1	30.1	29.1	29.6	30.0	27.6							
Wholesale RTC 12-city av. 2/													
1986	51.7	49.0	50.3	50.0	54.6	58.3	69.1	69.7	61.0	61.6	57.5	50.0	56.9
1987	51.8	49.8	48.5	48.6	48.7	45.3							
U.S. av. retail price													
1986	76.6	77.1	76.7	75.2	76.9	79.5	88.9	95.8	91.0	90.0	87.8	86.5	83.5
1987	82.1	83.2	80.4	79.2	78.2	77.1							
Price spreads Retail-to-cons.													
1986	19.5	21.8	21.0	19.2	16.3	15.5	16.4	20.0	21.6	20.5	22.6	30.0	20.4
1987	24.3	26.8	25.2	25.3	21.2	25.4							
	1967 = 100												
Retail pr. index Wh. chickens													
1986	215.3	216.5	217.3	213.0	217.5	225.2	249.9	271.2	257.3	256.1	252.2	248.1	236.6
1987	245.0	243.5	236.2	231.9	231.5	228.8							

1/ Live weight. 2/ Beginning May 1983, 12-city composite weighted average.

year ago. Prices this year appear to be decreasing during the summer months, in contrast to rising a year ago. The downward pressure on prices can be largely attributed to the increased supplies of poultry meats rather than recent publicity on salmonella contamination. Retail prices in the first half of 1987 have remained virtually the same as last year. The upward pressure on prices in the summer of 1986 caused by the heavy losses of broilers from prolonged periods of high temperature and humidity has not been repeated in 1987.

Third-quarter 12-city wholesale broiler prices for 1987 are expected to drop to the 45- to 47-cent per pound range, down from 67 cents per pound for the same quarter in 1986. Continued large supplies are the cause. Due to the increased production of all meats expected during early 1988, prices are expected to be in the upper-30 to mid-40 cents per pound range. This is down from 49 cents per pound in the first half of 1987. Prices in 1988 are likely to be in the mid to lower 40's, compared to the expected mid-to-upper 40's price for 1987.

Exports

Broiler exports from January through May, at 262 million pounds, were up 22 percent over the same period in 1986. Export unit values for poultry meat were up slightly. In both April and May exports were up about 30 percent, and 1987 exports are expected to exceed the 1981 record of 719 million pounds.

The Export Enhancement Program (EEP) has had a large impact on poultry exports, particularly on exports to Egypt, which were up five times over last year, to 35 million pounds. A total of 22 million pounds was exported to Iraq compared to none last year. The EEP frozen poultry sales of 287 million pounds as of July were 93 percent of the target.

Japan continues to be the largest U.S. market, with a 27-percent share, and sales up 27 percent over last year. Hong Kong is next, with a 15-percent share and sales growth of 5 percent. Canada took 70 percent more, but sales were down in two other large markets, Singapore and Jamaica.

Table 40--U.S. mature chicken exports to major importers, January-May 1986-1987

Country or area	1986	1987
	1,000 lbs.	
Iraq	0	10616
Canada	2259	2279
Mexico	1268	1697
Jamaica	63	1500
Egypt	0	1185
Spain	0	340
Japan	177	334
Netherlands	0	205
Bahamas	130	171
Netherlands Antilles	64	140
French Pacific Is.	287	76
Saudi Arabia	43	56
Haiti	29	48
United Arab Emirates	12	46
Jordan	0	43
Leeward-Windward Is.	315	38
Hong Kong	71	12
Barbados	63	0
Pacific Is. (Trust Terr)	599	0
Suriname	125	0
Other	128	119
Grand Total	5633	18905

Table 41--U.S. broiler exports to major importers, January-May 1986-1987

Country or area	1986	1987
	1,000 lbs.	
Japan	54374	68968
Hong Kong	38175	40091
Egypt	6844	34904
Singapore	24791	20676
Canada	11317	19210
Jamaica	20186	18246
Iraq	0	10624
Mexico	11501	9948
Leeward-Windward Is.	11344	7535
Netherlands Antilles	5033	6413
French Pacific Is.	3412	4980
Saudi Arabia	2889	2638
Federal Rep. of Germany	4789	1840
United Arab Emirates	742	1644
Spain	2451	1404
Bermuda	986	1388
Netherlands	1486	731
France	1675	718
Pacific Is. Trust Terr.	908	0
Other	11075	9725
Grand Total	213978	261683

Turkeys

Turkey meat production during the second half of 1987 is expected to rise 15 percent over the second half of 1986, and 1988

production is expected to be 6–7 percent greater than in 1987. These increases in production, together with larger pork and broiler supplies, may result in weak turkey prices in the last half of 1987 and through 1988.

Table 42--Turkey hatchery operations, 1985-87 1/

Month	Total turkey placed 2/		Eggs in incubators first of month, changes from previous year	
	1985-86	1986-87	1985-86	1986-87
	- - Thousands - -		- - - Percent - - -	
Sept.	10,661	13,620	20	18
Oct.	12,451	14,135	8	17
Nov.	12,648	13,836	13	11
Dec.	14,448	17,705	17	18
Jan.	17,204	21,118	8	26
Feb.	18,608	22,630	13	15
Mar.	20,761	25,172	8	18
Apr.	23,065	26,093	10	15
May	24,337	26,552	9	14
June	23,394	27,023	10	14
July	22,310		13	18
Aug.	16,405		8	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

Year-Over-Year Production Increases

Output of turkey meat in January through June of 1987 was up about 20 percent over 1986, as indicated by the increase in the number of poults placed and the weights of birds slaughtered. A lower percentage of first-half production was further processed and cut up in the first 6 months of 1987 than in the same period of 1986. Nearly all of the birds in the first 6 months of 1986 were

Table 43--Federally inspected turkey slaughter, 1986-87

Year	Number	Average weight	Live-weight pounds	Certified RTC
	Million	Pounds	Million	Pounds
1986				
I	34.2	20.41	697.5	556.1
II	45.4	19.81	898.7	717.4
III	60.5	19.66	1,189.5	938.4
IV	56.8	20.44	1,161.4	921.1
Year	196.9	20.08	3,947.0	3,133.0
1987				
I	40.9	20.67	844.4	668.3
II	53.4	19.68	1,089.5	863.9

Table 44--Turkey prices and price spreads, 1986-76

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1986	35.6	36.3	36.9	38.1	40.9	45.9	49.3	50.9	51.4	53.0	51.5	43.0	44.4
1987	34.9	35.3	37.6	36.5	35.0	34.5							
New York, hens 8-16 lbs 2/													
1986	60.3	61.7	63.9	64.6	67.1	73.8	77.9	80.5	81.2	83.2	80.7	71.1	72.2
1987	55.3	58.5	60.3	58.3	55.3	55.7							
4-region average retail price													
1986	106.3	107.8	104.8	104.2	103.4	102.3	105.6	109.5	111.9	112.9	108.1	102.1	106.6
1987	103.6	103.2	103.0	100.4	102.8	105.1							
Price spreads Retail-to-consumer													
1986	33.7	36.7	32.5	31.3	27.1	19.0	19.3	19.5	21.7	20.2	16.2	21.8	24.9
1987	39.8	37.4	35.4	33.4	37.3	37.7							
						December 1977=100							
Consumer pr. index													
1986	142.1	143.2	141.4	139.6	140.7	139.8	141.1	142.2	145.8	149.1	145.0	143.0	142.8
1987	144.2	142.0	142.5	139.5	142.1	142.3							

1/ Live weight. 2/ Wholesale, ready-to-cook.

further processed or cut up, compared to 91 percent of this early production in 1987. Overall though, 13 percent more turkey meat was further processed and cut up during this period in 1987 than in 1986.

Poult placements for slaughter during the third quarter indicate production could be up 17 percent. Second half production will probably be up 15 percent over the previous year. Thus, 1987 production will likely be up 17 percent over 1986.

Table 45--Estimated costs and returns, 1986-87 1/

Year	Production costs		Wholesale		Net returns
	Feed	Total	Total costs 2/	Price 3/	
Market eggs (cts/doz)					
1986					
I	27.0	45.2	65.7	74.4	8.7
II	27.4	45.6	66.1	63.8	-2.3
III	25.3	43.5	64.0	71.3	7.3
IV	22.0	40.2	60.7	74.6	13.9
Year	25.4	43.6	64.1	71.1	7.0
1987					
I	21.8	40.0	60.5	66.4	5.9
II 5/	24.2	42.4	62.9	58.8	-3.1
Broilers (cts/lb)					
1986					
I	14.7	22.7	44.7	50.4	5.7
II	15.0	23.0	45.0	54.2	9.2
III	15.0	23.0	45.0	66.5	21.5
IV	12.9	20.9	42.3	56.3	14.0
Year	14.4	22.4	44.3	57.0	12.7
1987					
I	12.7	20.7	42.0	50.0	8.0
II 5/	12.6	20.6	41.8	49.6	7.8
Turkeys (cts/lb)					
1986					
I	20.9	34.6	59.6	60.8	1.3
II	21.7	35.4	60.6	72.3	11.7
III	22.1	35.8	61.1	83.1	22.0
IV	19.7	33.4	58.1	77.9	19.8
Year	21.1	34.8	59.8	75.2	15.3
1987					
I	18.4	32.1	56.5	57.0	.5
II 5/	18.2	31.9	56.1	58.4	2.3

1/ Costs are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 13-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average. 5/ Preliminary.

With costs of production remaining steady, but turkey prices weaker, producers will face a loss or breakeven situation throughout the rest of 1987 and in the first half of 1988. This situation should dampen the rate of increase in production for 1988 over 1987. Production in 1988 is expected to be about 3.9 billion pounds, up 6-7 percent over 1987.

Cold storage stocks, at 378 million pounds, were 27 percent higher on July 1, 1987 than on the same date in 1986, the highest level in history. Current predictions are for record stocks (600 million pounds) at the beginning of the fourth quarter of 1987, up 17 percent (88 million pounds) over the previous year. In contrast to 1986, demand in 1987 is not expected to be strong enough to move this extra quantity at the same prices. Hence, the large cold storage stocks coupled with greater output are expected to put downward pressure on prices during the third and fourth quarters. Continued large supplies in the first half of 1988 is expected to hold prices below those experienced in the first half of 1987. It appears that this year, retailers are waiting to buy their turkeys for fourth quarter sales, as opposed to the early sales and competition that took place in 1986.

Prices

The wholesale price of 8-16 pound Eastern Region hen turkeys during the second quarter averaged about 56 cents per pound, down from a year ago when they were about 68 cents per pound. Prices fell during April from 60 cents per pound to about 55 to 56 cents, and remained there throughout May and June. Prices in the third quarter are expected to average in the 55-to-57 cent range, just below breakeven levels. This is down from last year's third-quarter price of almost 80 cents per pound. Turkey sales during the last half will face competition from larger supplies of hams this year than last. Fourth-quarter prices are expected to range in the 56- to 60-cent-per-pound range, down from last year's 78 cents. The turkey industry may need to promote turkey heavily to achieve higher prices than predicted.

Turkey prices in 1988 are expected to be in the mid-50-cents-per-pound range, down from the upper-50-cents-per-pound range

Table 46--U.S. Turkey exports to major importers, January-May 1986-1987

Country or area	1986	1987
	1,000 lbs.	
Canada	1171	3082
Federal Rep. of Germany	1360	1205
Western Samoa	788	903
Egypt	2103	636
Hong Kong	377	529
Mexico	324	445
Marshall Islands	0	423
Fed. States of Micronesia	0	415
Japan	622	409
Cameroon	0	290
Togo	42	192
Senegal	0	188
Saudi Arabia	343	161
Bahamas	232	116
Taiwan	0	102
Pacific Is. Trust Terr.	527	0
Gabon	101	0
Other	842	1703
Grand Total	8832	10799

expected in 1987. These prices would indicate losses to producers, and slow the rate of increase in production during the course of the year.

Exports

Turkey meat exports of 10.8 million pounds increased 22 percent during January through May 1987, compared to the same period in 1986. Canadian purchases were up sharply, about 160 percent, and represented nearly 30 percent of total turkey meat exports. Sales to West Germany, though down 11 percent still accounted for 11 percent, of total exports. Egypt has taken about 70 percent less than last year when it was the largest purchaser.

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CATTLE INVENTORY AND FEEDER CATTLE SUPPLY AND RELATIONSHIPS

by

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The USDA's National Agricultural Statistics Service (NASS) has changed the survey procedures for the midyear U.S. cattle inventory (1)* to June 1 from July 1. As an aid to analyzing data based on the new reporting date, NASS published a June 1 U.S. cattle inventory and class series from 1973.

However, the *Cattle on Feed* (2) (COF) dates for seven States reported monthly and thirteen States reported quarterly remain unchanged. The new reporting date presents problems when calculating relationships between the U.S. cattle inventory and COF, such as the feeder cattle supply. (3, 4) In addition, semiannual balance sheet relationships using the beginning of the year and midyear cattle inventories cannot be conveniently used in quarterly data analysis. The new June report now produces balance sheet relationships for 5 months, January-May, and 7 months, June-December. It is difficult to relate the January 1 and June 1 U.S. *Cattle* reports to the quarterly feedlot inventories.

To adjust for the mismatching dates between the June U.S. cattle inventory and the July Cattle on Feed reports, either the June cattle inventory has to be adjusted to a July base or the July COF statistics have to be adjusted to a June base. A greater number of assumptions need to be made to create June COF statistics for feeder cattle supply.

Starting with the 13-States April COF report and making adjustments to the June monthly seven-State COF statistics would require a substantial number of assumptions

*References at end of report.

and be subject to unmeasurable variations, even if the July report is available. Historical average relationships between the April and July reports can be applied. This would require a forecast for the number on feed July 1, or wait until the July COF report is available.

The adjustment of the June cattle inventory to a July basis is more straightforward and subject to fewer arbitrary assumptions. Also,the level of precision can be gauged between the July to June cattle inventory by classes, as both series are available from 1973 to 1986. This would permit maintenance of the previous calculations for quarterly feeder cattle supply, provide easier-to-interpret relationships for quarterly model inputs, and maintain semiannual balance sheet relationships.

Adjusting June U.S. Cattle Inventories to July Basis

Two approaches were tested to adjust the June U.S. cattle inventory to a July basis: a simple regression approach and a fixed period by classes percentage of July divided by June approach. A simple regression was calculated for each class of cattle with July inventories (dependent variable) with June inventories (independent variable) and an intercept term. The simple regression approach was selected as superior because of a high degree of explained variation and lower errors.1/ The regression relationships by classes were calculated (table 1). Based upon these regression relationships July 1 cattle inventories were projected for 1987. The total July 1 cattle inventory is calculated as the summation of the classes, rather than the forecast of the total. Data from the previous July cattle inventory reports with projections for July 1987 are presented in table 2.

In future years, the regression relationships developed in this study will be used as an approach to project July 1 U.S. cattle inventories by classes based upon published June 1 inventories. As long as no new published July cattle inventory information is available, these regression relationships will remain fixed when developing feeder cattle supply relationships.

Calculating Quarterly Feeder Cattle Supplies

Quarterly feeder cattle supplies are calculated using January 1 and the July 1 cattle inventories and quarterly 13-State COF data. Steers and other heifers over 500 pounds from the inventory report are totaled to represent the yearling supply, as replacement heifers are not considered part of the feeder cattle supply. The under-500-pound calves from the inventory reports represent the total supply of calves. To approximate the share of the feeder cattle supply in feedlots and outside feedlots, the number on feed in weight groups that correspond to the totals from the inventory reports is subtracted from the total supply.

The total number of COF in the United States is derived from the quarterly number on feed in the 13 States expanded by a factor based on January U.S. total COF relative to the 13-State, COF inventory. The January COF relationship is used throughout the calendar year to expand 13-State COF inventories. The feeder cattle supply outside feedlots is the residual between the total supply and the number on feed.

Quarterly relationships provide approximations of the total feeder cattle supply and the number outside feedlots. Estimates of supplies are more precise for the period beginning January and July than for the April and October periods, which are based on the January 1 and adjusted June 1 inventories,

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1/The absolute percentage forecasting errors for the within-sample period (1973-84) and outside sample (1985-86) for the July U.S. inventory classes and total were calculated. The simple regression approach, July forecasts as a function of June with an intercept expressed per 1000 head, had an average forecasting error for the classes and total of .46 percent within the sample and .49 percent outside the sample. Using a fixed percentage relationship of July relative to June inventory for a 1980-84 fixed average to forecast July inventories resulted in larger within-sample absolute percentage forecasting errors, and outside-sample errors were larger for more classes of cattle.

respectively. Also, the estimates of the feeder supply for the over 500 pounds are more precise than for calves under 500 pounds, because the latter group is more heterogeneous and has calves that will become replacement heifers, bulls, and those slaughtered for veal.

The July 1987 Feeder Cattle Supply and Share On Feed

The July 1987 supply of feeder cattle outside feedlots is smaller than a year earlier. Steers and other heifers over 500 pounds are 11 percent below last year and 13 percent below 2 years earlier. Large placements of heavy-weight COF in recent months have contributed to this sharp drop in the number outside feedlots. The supply of feeder cattle under 500 pounds is 2 percent below last year. The total number of feeder cattle outside feedlots is down 5 percent from a year ago. The sharp drop in the numbers of heavy weight feeder cattle outside feedlots portends a tightening supply of feeder cattle available for placement on feed for the last half of 1987 and the early 1988. An expanding feeder cattle supply is not expected until a substantially larger calf crop is produced.

Summary

The July 1, 1987 feeder cattle supply outside of feedlots is 5 percent below last year, and the number of yearlings outside feedlots is 11 percent below year-earlier levels. In future years, these regression relationships will be used as an approach to project July 1 U.S. feeder cattle supplies by classes.

USDA's National Agricultural Statistics Service (NASS) changed reporting procedures and shifted the midyear U.S. cattle inventory report, which estimates the inventory, to June 1 from July 1. However, because the COF reports release dates remain unchanged, it is difficult to accurately calculate quarterly feeder cattle supply relationships which draws statistics from the the quarterly COF reports and the U.S. Cattle inventory reports. Adjusting the new June U.S. Cattle inventory report date to a July basis is preferable to adjusting the COF statistics to a June basis. A simple regression approach was used to create July 1 U.S. cattle inventories by classes when calculating feeder cattle supply relationships.

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1. *Cattle,* NASS, USDA, Washington, D.C.

2. *Cattle On Feed,* NASS, USDA, Washington, D.C.

3. *Cattle Reports,* A Handbook on Surveying and Estimating Procedures, SRS, USDA, ESS-13, Washington D.C., July, 1981.

4. *Livestock and Meat Statistics,* 1983, ERS, USDA, Statistics Bulletin Number 715, Washington, D.C., December, 1984.

LIST OF TABLES

Table 47--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Gross carcass value 3/	Carcass by-product allow-ance 4/	Net carcass value 5/	Gross farm value 6/	Farm by-product allow-ance 7/	Net farm value 8/	Farm-retail spread			Farmers' share 9/
								Total	Carcass-retail	Farm-carcass	
	- - - Cents per pound - - -										Percent
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 10/	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1985	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986											
Jan.	236.9	140.0	1.4	138.6	144.5	16.1	128.4	108.5	98.3	10.2	54
Feb.	232.5	131.4	1.4	130.0	136.5	15.5	121.0	111.5	102.5	9.0	52
Mar.	230.3	129.2	1.1	128.1	134.9	15.1	119.8	110.5	102.2	8.3	52
1st qtr.	233.2	133.5	1.3	132.2	138.6	15.5	123.1	110.1	101.0	9.1	53
Apr.	227.0	126.2	1.0	125.2	131.2	15.0	116.2	110.8	101.8	9.0	51
May	226.8	130.6	.9	129.7	135.7	15.3	120.4	106.4	97.1	9.3	53
June	226.6	126.6	.9	125.7	128.2	14.9	113.3	113.3	100.9	12.4	50
2nd qtr.	226.8	127.8	.9	126.9	131.7	15.1	116.6	110.2	99.9	10.3	51
July	227.4	134.6	1.2	133.4	140.9	16.0	124.9	102.5	94.0	8.5	55
Aug.	230.2	136.7	1.1	135.6	143.6	15.4	128.2	102.0	94.6	7.4	56
Sept.	231.0	137.0	1.2	135.8	144.1	15.1	129.0	102.0	95.2	6.8	56
3rd qtr.	229.5	136.1	1.2	134.9	142.9	15.5	127.4	102.2	94.6	7.6	56
Oct.	231.2	138.4	1.3	137.1	144.9	16.0	128.9	102.3	94.1	8.2	56
Nov.	233.8	143.0	1.3	141.7	150.5	16.4	134.1	99.7	92.1	7.6	57
Dec.	234.8	137.7	1.4	136.3	145.2	16.9	128.3	106.5	98.5	8.0	55
4th qtr.	233.3	139.7	1.3	138.4	146.8	16.4	130.4	102.9	94.9	8.0	56
Annual	230.7	134.3	1.2	133.1	140.0	15.6	124.4	106.3	97.6	8.7	54
1987											
Jan.	236.6	135.5	1.5	134.0	142.8	17.1	125.7	110.9	102.6	8.3	53
Feb.	233.6	138.9	1.4	137.5	149.5	17.8	131.7	101.9	96.1	5.8	56
Mar.	233.6	140.7	1.2	139.5	151.4	18.0	133.4	100.2	94.1	6.1	57
1st qtr.	234.6	138.4	1.4	137.0	147.9	17.6	130.3	140.3	97.6	6.7	56
Apr.	236.8	152.2	1.3	150.9	163.4	19.7	143.7	93.1	85.9	7.2	61
May	243.4	161.4	1.5	159.9	171.4	20.5	150.9	91.5	83.5	9.0	62
June	249.4	159.1	1.5	157.6	168.7	20.0	148.7	100.7	91.8	8.9	60
2nd qtr.	243.2	157.6	1.5	156.1	167.8	20.0	147.8	95.4	87.1	8.3	61

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. 4/ Portion of gross carcass value attributed to fat and bone trim. 5/ Gross carcass value minus carcass by-product allowance. 6/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 7/ Portion of gross farm value attributed to edible and inedible by-products. 8/ Gross farm value minus farm by-product allowance. 9/ Percent net farm value is of retail price. 10/ ERS data through May 1981, BLS series since.

Table 48--Pork: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm-retail spread: Total	Farm-retail spread: Wholesale-retail	Farm-retail spread: Farm-wholesale	Farmers' share 7/
	- - - Cents per pound - - -								Percent
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 8/	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1985	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986									
Jan.	169.0	99.1	77.6	4.7	72.9	96.1	69.9	26.2	43
Feb.	168.3	95.7	74.1	4.6	69.5	98.8	72.6	26.2	41
Mar.	165.8	92.4	69.5	4.0	65.5	100.3	73.4	26.9	40
1st qtr.	167.7	95.7	73.7	4.4	69.3	98.4	72.0	26.4	41
Apr.	162.2	91.7	68.8	4.0	64.8	97.4	70.5	26.9	40
May	162.3	102.8	80.8	4.2	76.6	85.7	59.5	26.2	47
June	166.5	112.2	94.6	4.8	89.8	76.7	54.3	22.4	54
2nd qtr.	163.7	102.2	81.4	4.3	77.1	86.6	61.5	25.1	47
July	183.4	127.4	103.5	5.6	97.9	85.5	56.0	29.5	53
Aug.	190.3	131.9	107.9	5.9	102.0	88.3	58.4	29.9	54
Sept.	194.4	127.3	101.4	5.7	95.7	98.7	67.1	31.6	49
3rd qtr.	189.4	128.9	104.3	5.7	98.5	90.9	60.5	30.4	52
Oct.	194.9	118.5	92.2	5.5	86.7	108.2	76.4	31.8	44
Nov.	192.5	118.4	91.2	5.1	86.1	106.4	74.1	32.3	45
Dec.	191.3	113.5	86.6	5.2	81.4	109.9	77.8	32.1	43
4st qtr.	192.9	116.8	90.0	5.3	84.7	108.2	76.1	32.1	44
Annual	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46
1987									
Jan.	188.1	105.4	80.7	5.0	75.7	112.4	82.7	29.7	40
Feb.	185.6	103.8	82.9	5.1	77.8	107.8	81.8	26.0	42
Mar.	181.3	102.2	81.7	4.9	76.8	104.5	79.1	25.4	42
1st qtr.	185.0	103.8	81.8	5.0	76.8	108.2	81.2	27.0	41
Apr.	178.9	108.4	87.8	5.1	82.7	96.2	70.5	25.7	46
May	183.7	117.0	94.8	5.5	89.3	94.4	66.7	27.7	49
June	187.6	124.3	104.1	5.9	98.2	89.4	63.3	26.1	52
2nd qtr.	183.4	116.6	95.6	5.5	90.1	93.3	66.8	26.5	49

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from pork carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. 4/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributable to edible and inedible by-products. 6/ Gross farm value minus by-product allowance. 7/ Percent net farm value is of retail price. 8/ ERS data through May 1981, BLS series since.

Table 49--Average retail price of specified meat cuts, per pound, by months

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dollars											
Choice Beef:												
Ground chuck												
1985	1.71	1.73	1.72	1.72	1.69	1.67	1.65	1.64	1.64	1.62	1.67	1.68
1986	1.66	1.66	1.66	1.63	1.59	1.60	1.61	1.62	1.64	1.65	1.66	1.65
1987	1.69	1.65	1.68	1.70	1.70	1.71						
Ground beef												
1985	1.28	1.28	1.28	1.27	1.21	1.20	1.20	1.21	1.21	1.19	1.24	1.28
1986	1.28	1.26	1.27	1.22	1.19	1.16	1.19	1.22	1.23	1.23	1.28	1.26
1987	1.30	1.27	1.28	1.29	1.32	1.30						
Chuck roast, bone in												
1985	1.68	1.70	1.65	1.62	1.58	1.55	1.50	1.48	1.41	1.50	1.56	1.63
1986	1.68	1.64	1.65	1.53	1.54	1.53	1.50	1.54	1.50	1.58	1.66	1.68
1987	1.68	1.64	1.63	1.70	1.65	1.71						
Round roast, boneless												
1985	2.56	2.52	2.56	2.54	2.45	2.40	2.41	2.34	2.35	2.39	2.49	2.56
1986	2.55	2.47	2.46	2.41	2.44	2.33	2.39	2.40	2.46	2.49	2.47	2.47
1987	2.54	2.47	2.49	2.45	2.59	2.56						
Rib roast, bone in												
1985	3.43	3.28	3.32	3.29	3.30	3.29	3.27	3.24	3.19	3.20	3.21	3.37
1986	3.36	3.33	3.20	3.29	3.16	3.21	3.19	3.29	3.28	3.18	3.31	3.39
1987	3.44	3.44	3.37	3.29	3.48	3.64						
Round steak, boneless												
1985	2.94	2.94	2.95	2.90	2.88	2.84	2.76	2.68	2.67	2.69	2.78	2.83
1986	2.91	2.82	2.82	2.75	2.74	2.74	2.66	2.69	2.76	2.79	2.75	2.80
1987	2.80	2.80	2.76	2.81	2.94	2.96						
Sirloin steak, bone in												
1985	2.98	2.97	2.99	2.96	3.00	3.08	3.06	2.94	2.87	2.82	2.84	2.98
1986	2.90	2.97	2.84	2.90	2.99	3.01	3.07	3.01	3.01	2.94	2.91	2.93
1987	2.81	2.96	2.87	3.02	3.21	3.44						
Chuck steak, bone in												
1985	1.72	1.74	1.71	1.66	1.62	1.54	1.53	1.56	1.54	1.60	1.68	1.74
1986	1.72	1.58	1.62	1.52	1.48	1.50	1.47	1.60	1.55	1.62	1.69	1.69
1987	1.71	1.65	1.64	1.69	1.59	1.62						
T-Bone steak, bone in												
1985	3.96	3.97	3.98	4.03	3.98	4.09	4.10	3.91	3.87	3.78	3.86	4.05
1986	3.99	3.91	3.87	3.90	3.96	3.99	4.06	4.11	4.09	3.85	3.92	3.97
1987	3.86	3.79	3.83	4.01	4.33	4.64						
Porterhouse steak, bone in												
1985	4.10	4.04	4.00	4.04	4.04	4.04	4.22	4.03	4.05	3.98	3.91	4.04
1986	4.08	3.96	3.92	3.96	4.16	4.22	4.29	4.29	4.28	4.26	4.29	4.17
1987	4.22	4.19	4.22	4.26	4.36	4.44						
Pork:												
Bacon, sliced												
1985	1.95	1.97	1.96	1.95	1.93	1.89	1.95	1.96	1.93	1.95	1.93	1.92
1986	1.94	1.96	1.89	1.87	1.87	1.95	2.16	2.33	2.37	2.30	2.19	2.16
1987	2.12	2.09	2.10	2.08	2.11	2.13						
Chops, center cut												
1985	2.37	2.41	2.35	2.27	2.24	2.31	2.35	2.34	2.34	2.30	2.38	2.39
1986	2.47	2.42	2.38	2.36	2.40	2.48	2.76	2.81	2.82	2.74	2.72	2.75
1987	2.72	2.70	2.64	2.74	2.78	2.97						

Continued--

Table 49--Average retail price of specified meat cuts, per pound, by months--Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Ham, rump or shank half												
1985	1.36	1.32	1.34	1.22	1.27	1.24	1.24	1.26	1.25	1.27	1.29	1.36
1986	1.38	1.42	1.38	1.30	1.32	1.33	1.46	1.52	1.58	1.66	1.68	1.63
1987	1.60	1.59	1.50	1.36	1.44	1.50						
Sirloin roast, bone in												
1985	1.68	1.63	1.60	1.55	1.54	1.50	1.62	1.58	1.54	1.58	1.61	1.65
1986	1.66	1.65	1.65	1.64	1.65	1.67	1.90	1.89	1.89	1.89	1.87	1.91
1987	1.90	1.82	1.81	1.89	1.92	1.95						
Shoulder picnic, bone in												
1985	1.06	1.03	1.04	1.04	.99	.98	1.01	1.03	1.00	1.01	1.02	1.07
1986	1.06	1.03	1.00	1.00	.96	.99	1.01	1.12	1.14	1.18	1.18	1.18
1987	1.15	1.10	1.06	1.03	1.08	1.03						
Sausage, fresh, pork, loose												
1985	1.72	1.78	1.77	1.74	1.75	1.73	1.75	1.74	1.72	1.66	1.69	1.78
1986	1.84	1.79	1.86	1.78	1.77	1.76	1.85	1.94	2.05	2.10	2.07	2.05
1987	2.01	2.02	1.99	1.97	1.98	1.94						
Miscellaneous cuts												
Ham, canned, 3 or 5 lb												
1985	2.64	2.66	2.70	2.55	2.57	2.53	2.52	2.52	2.51	2.51	2.50	2.49
1986	2.56	2.68	2.58	2.57	2.55	2.57	2.58	2.64	2.70	2.82	2.94	2.92
1987	2.84	2.85	2.83	2.77	2.74	2.76						
Frankfurters, all meat												
1985	1.81	1.83	1.82	1.80	1.81	1.81	1.77	1.77	1.83	1.86	1.82	1.83
1986	1.91	1.92	1.88	1.85	1.87	1.89	1.91	1.96	2.00	1.99	1.98	2.02
1987	1.98	1.99	1.96	1.98	1.96	2.00						
Bologna												
1985	2.12	2.10	2.11	2.15	2.13	2.12	2.11	2.09	2.13	2.11	2.07	2.12
1986	2.14	2.09	2.12	2.12	2.10	2.11	2.15	2.19	2.23	2.25	2.27	2.27
1987	2.22	2.17	2.19	2.15	2.14	2.15						
Beef liver												
1985	.95	.96	.97	.96	.94	.98	.96	.95	.94	.93	.95	1.04
1986	.99	.96	.95	.97	.96	.97	.98	.94	.95	.98	1.01	1.01
1987	1.02	1.00	1.03	1.02	1.04	1.03						

Table 50--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/

Year	Commer-cial pro-duction	Farm pro-duction	Begin-ning stocks	Imports	Total supply	Exports	Ship-ments	Mili-tary pur-chases	Ending stocks	Total disap-pearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Popu-lation
	- - - - Million pounds - - - -										Pounds		Million
Beef:													
1982	22,366	170	257	1,939.2	24,732.2	249.7	55.3	135	294	23,998.1	104.3	77.2	230.3
1983	23,060	183	294	1,931.1	25,468.1	272.1	40.2	121	325	24,709.7	106.2	78.6	232.6
1984	23,418	180	325	1,823.1	25,746.1	328.8	47.3	112	358	24,900.1	106.1	78.5	234.8
1985	23,557	171	358	2,070.6	26,156.9	328.2	51.3	115	317	25,342.4	106.9	79.1	237.0
1986													
I	5,769	55	317	502	6,643.0	101.7	12.9	24.5	297	6,206.8	26.0	19.3	238.5
II	6,246	24	297	482	7,049.0	82.7	11.7	32.9	322	6,599.8	27.6	20.4	239.0
III	6,273	24	322	640	7,258.0	143.5	14.2	29.2	292	6,779.8	28.3	20.9	239.6
IV	5,925	55	292	505	6,777.0	192.9	13.0	23.0	311	6,237.5	26.0	19.2	240.2
Year	24,213	158	317	2,128	26,816.8	520.8	51.8	109.6	311	25,823.9	107.9	79.8	239.4
1987													
I	5,756	55	311	543	6,664.8	126.5	13.8	31.9	311	6,181.4	25.7	19.0	240.8
II 2/	5,737	24	311						253				241.5
Year 3/	23,217	158	311	2,165	25,739.0	550.0	60.0	110.0	325	24,806.0	102.6	75.9	241.7
1988 3/	22,200	158	325	2,200	24,883	400.0	60.0	110.0	325	23,988	98.4	72.8	243.9
Pork:													
1982	14,121	108	264	612.1	15,105.1	214.3	151.2	96	219	14,424.7	62.6	59.0	230.3
1983	15,117	82	219	701.6	16,119.6	219.3	141.6	89	301	15,368.7	66.1	62.2	232.6
1984	14,720	92	301	953.9	16,066.9	163.9	147.0	86	274	15,396.1	65.6	61.8	234.8
1985	14,728	79	274	1,127.8	16,208.8	128.4	131.4	70	229	15,651.0	66.0	62.1	237.0
1986													
I	3,570	23	229	279.2	4,101.0	15.6	33.3	16	254	3,782.6	15.9	14.9	238.5
II	3,568	10	254	246.6	4,077.9	28.1	30.0	21	248	3,751.2	15.7	14.8	239.0
III	3,237	10	248	281.6	3,776.0	14.7	27.8	19	186	3,528.6	14.7	13.8	239.6
IV	3,623	23	186	314.1	4,145.8	26.5	40.9	17	197	3,864.3	16.1	15.1	240.2
Year	13,998	65	229	1,121.6	15,413.6	84.9	132.0	73	197	14,926.6	62.4	58.6	239.4
1987													
I	3,540	23	197	290.0	4,050.0	19.0	35.0	20	221	3,755.0	15.6	14.7	240.8
II 2/	3,325	10	221						189				241.5
Year 3/	14,240	65	197	1,100.0	15,602.0	100.0	140.0	80	225	15,057.0	62.3	58.6	241.7
1988 3/	15,650	65	225	1,125	17,065	120	140	80	275	16,450	67.1	63.4	243.9
Lamb and mutton:													
1982	356	9	11	18.67	394.67	1.72	2.42	1	9	380.52	1.65	1.47	230.3
1983	367	8	9	18.77	402.77	1.45	2.22	0	11	388.10	1.67	1.49	232.6
1984	371	8	11	20.00	410.00	1.93	2.83	0	7	398.24	1.70	1.51	234.8
1985	352	6	7	36.47	402.47	1.01	2.46	–	13	386.00	1.63	1.45	237.0
1986													
I	90	2	13	10.3	115.8	.4	.6	0	12	102.9	.4	.4	238.5
II	78	1	12	10.5	101.4	.3	.4	0	14	86.5	.4	.3	239.1
III	81	1	14	8.1	104.2	.3	.5	0	14	88.9	.4	.3	239.6
IV	82	2	14	12.3	111.2	.3	.2	0	13	97.7	.4	.4	240.2
Year	333	7	13	41.1	392.1	1.3	2.1	0	13	375.7	1.6	1.4	239.4
1987													
I	76	2	13	12.6	103.6	.7	.4	0	14	88.5	.4	.3	240.8
II 2/	75	1	14										241.5
Year 3/	307	7	13	45.0	371.0	2	1	0	8	360.0	1.5	1.3	241.7
1988 3/	330	7	8	50	395	2	1	0	8	383	1.6	1.4	243.9

Continued--

Table 50--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-87 1/--Continued

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance		Population
											Carcass weight	Retail weight	
	---- Million pounds ----										- Pounds -		Million
Veal:													
1982	423	25	9	18.76	475.76	3.80	1.47	6	7	457.49	1.99	1.65	230.3
1983	428	25	7	18.55	478.55	4.06	1.09	7	9	457.40	1.97	1.64	232.6
1984	479	16	9	24.09	528.09	5.65	1.35	4	14	503.09	2.14	1.78	234.8
1985	499	16	14	19.70	548.70	3.63	.74	7	11	526.73	2.22	1.84	237.0
1986													
I	129	6	11	7.5	152.7	.9	.3	1	10	139.9	.6	.5	238.5
II	129	2	10	3.9	145.5	.8	.2	2	9	133.8	.6	.5	239.0
III	129	2	9	4.1	144.4	1.7	.3	2	7	133.2	.6	.5	239.6
IV	122	5	7	11.8	146.5	1.4	.1	1	7	136.9	.6	.5	240.2
Year	509	15	11	27.3	562.3	4.8	.9	6	7	543.8	2.3	1.9	239.4
1987													
I	114	5	7	6.1	132.3	1.9	.3	2	6	122.6	.5	.4	240.8
II 2/	101	2	6						4				241.5
Year 3/	435	16	7	25.0	482.0	5.0	1.0	7	7	462.0	1.9	1.6	241.7
1988 3/	400	15	7	25	447	5	1	7	7	427	1.8	1.5	243.9
Total red meat:													
1982	37,266	312	541	2,588.72	40,707.71	469.56	210.35	238	529	39,260.79	170.48	139.29	230.3
1983	38,972	298	529	2,670.00	42,469.00	496.93	185.14	217	646	40,923.93	175.94	143.91	232.6
1984	38,988	296	646	2,821.09	42,751.09	500.19	198.44	202	653	41,197.46	175.46	143.60	234.8
1985	39,136	273	653	3,251.85	43,313.85	461.19	185.87	194	570	41,902.79	176.80	144.36	237.0
1986													
I	9,558	86	570	798.7	11,012.5	118.5	47.1	42	573	10,232.1	42.9	35.0	238.5
II	10,021	37	573	743.0	11,373.6	111.9	42.4	56	593	10,571.3	44.2	36.0	239.0
III	9,720	37	593	933.7	11,282.9	160.2	42.9	50	499	10,530.4	43.9	35.6	239.6
IV	9,752	86	499	843.3	11,180.5	222.0	54.5	41	527	10,335.6	43.0	35.2	240.2
Year	39,051	245	570	3,318.8	43,184.8	612.6	186.8	189	527	41,669.5	174.1	141.7	239.4
1987													
I	9,486	86	527	848.5	10,947.4	147.6	45.4	56	552	10,146.7	42.1	34.4	240.8
II 2/	9,238	37	552										241.5
Year 3/	38,199	245	527	3,335.0	42,306.0	657.0	202.0	197	565	40,685.0	168.3	137.4	241.7
1988 3/	38,580	245	265	3,400	42,790	527	202	197	616	41,248	169.1	139.0	243.9

1/ Totals may not add because of rounding. 2/ Preliminary. 3/ Forecast.

Table 51--Poultry: Supply and utilization, 1985-87 1/

Year	Total production	Beginning stocks	Total supply	Exports	Shipments	Military purchases	Ending Stocks	Civilian disappearance Total	Civilian disappearance Per capita 3/
	- - - - - - Million pounds - - - - - -								Pounds
Young chicken:									
1985									
I	3,272.3	19.7	3,292.0	100.0	39.0	7.1	24.1	3,121.8	13.2
II	3,562.3	24.1	3,586.4	102.3	34.8	10.3	28.5	3,410.4	14.4
III	3,535.5	28.5	3,564.0	104.6	34.1	7.5	27.7	3,390.1	14.3
IV	3,391.5	27.7	3,419.2	110.0	35.0	8.9	26.6	3,238.8	13.6
Year	13,761.6	19.7	13,781.3	416.9	142.9	33.9	26.6	13,161.1	55.5
1986 4/									
I	3,419.3	26.6	3,445.9	120.8	36.0	7.2	23.8	3,258.1	13.7
II	3,687.2	23.8	3,711.0	135.1	34.0	11.0	23.3	3,507.6	14.7
III	3,634.5	23.3	3,657.8	131.9	41.5	9.5	25.0	3,449.9	14.4
IV	3,574.8	25.0	3,599.8	178.4	37.6	7.1	23.9	3,352.8	14.0
Year	14,315.8	26.6	14,342.4	566.2	149.2	34.9	23.9	13,568.3	56.7
1987 4/									
I	3,750.4	23.9	3,798.9	141.3	39.3	8.2	25.1	3560.4	14.8
II	3,906.4	25.1	3,931.5				24.1		
Year 5/	15,524.0	23.9	15,547.9	750.0	144.0	35.0	25.0	14,593.9	60.4
1988 4/									
I	16,282.0	25.0	16,307.0	650.0	140.0	36.0	25.0	15,456.0	63.4
Other chicken:									
1985 4/									
I	185.9	119.2	305.1	3.3	.2	.6	142.7	158.1	.7
II	161.8	142.7	304.5	4.7	.2	.4	143.7	155.4	.7
III	143.8	143.7	287.5	6.5	.1	.5	148.2	132.2	.6
IV	144.7	148.2	292.9	6.1	.8	.5	144.1	141.5	.6
Year	636.2	119.2	755.4	20.6	1.4	2.1	144.1	587.2	2.5
1986 4/									
I	162.0	144.1	306.1	3.4	.5	.4	160.7	141.0	.6
II	173.0	160.7	333.7	3.8	.6	.7	156.9	171.7	.7
III	148.3	156.9	305.2	4.4	.9	.5	147.3	152.1	.6
IV	145.9	147.3	293.2	4.6	.5	.4	163.1	124.6	.5
Year	629.3	144.1	773.4	16.3	2.6	2.0	163.1	589.3	2.5
1987 4/									
I	157.3	163.1	320.4	5.7	.6	.6	171.9	141.4	.6
II	183.8	171.9	355.7				180.7		
Year 5/	643.0	163.1	806.1	25.0	4.0	2.5	130.0	644.6	2.7
1988 4/									
I	652.0	130.0	782.0	20.0	4.0	1.0	135.0	622.0	2.6
Total chicken:									
1985 4/									
I	3,458.2	138.9	3,597.1	103.3	39.2	7.8	166.8	3,280.0	13.9
II	3,724.1	166.8	3,890.9	107.0	35.1	10.8	172.3	3,565.8	15.1
III	3,679.3	172.3	3,851.6	111.1	34.2	8.0	176.0	3,522.3	14.8
IV	3,536.2	176.0	3,712.2	116.1	35.8	9.4	170.6	3,380.3	14.2
Year	14,397.8	138.9	14,536.7	437.5	144.2	36.0	170.6	13,748.4	58.0
1986 4/									
I	3,581.3	170.6	3,751.9	124.2	36.5	7.6	184.5	3,399.0	14.2
II	3,860.3	184.5	4,044.8	138.8	34.6	11.7	180.2	3,679.3	15.4
III	3,782.9	180.2	3,963.1	136.3	42.4	10.0	172.3	3,602.0	15.0
IV	3,720.7	172.3	3,893.0	183.0	38.1	7.6	187.0	3,477.3	14.5
Year	14,945.1	170.6	15,115.7	582.5	151.7	36.9	187.0	14,157.6	59.1
1987 4/									
I	3,907.7	187.0	4,094.7	147.1	39.9	8.8	197.0	3701.9	15.4
II	4,090.2	197.0	4,287.2				204.8		
Year 5/	16,167.0	187.0	16,354.0	775.0	148.0	37.5	155.0	15,238.5	63.1
1988 4/									
I	16,934.0	155.0	17,089.0	670.0	144.0	37.0	160.0	16,078.0	66.0

(Continued)

Table 51--Poultry: Supply and utilization, 1985-87 1/ (Continued)

Year	Total production	Beginning stocks	Total supply	Exports	Shipments	Military purchases	Ending Stocks	Civilian disappearance Total	Civilian disappearance Per capita 3/
	- - - - - - Million pounds - - - - - -								Pounds
Turkey:									
1985 4/									
I	506.1	125.3	631.4	6.1	0.7	2.4	131.1	491.2	2.1
II	660.0	131.1	791.1	4.6	1.0	2.7	243.3	539.5	2.3
III	898.4	243.3	1,141.7	7.3	1.0	4.4	444.5	684.6	2.9
IV	877.6	444.5	1,322.1	9.3	3.9	3.5	150.2	1,155.2	4.9
Year	2,942.2	125.3	3,067.5	27.2	6.6	13.0	150.2	2,870.5	12.1
1986 4/									
I	581.1	150.2	731.3	4.8	.3	1.5	150.5	574.1	2.4
II	750.2	150.5	900.7	5.3	.1	1.8	297.8	595.8	2.5
III	981.7	297.8	1,279.5	6.7	.8	5.3	511.6	755.1	3.2
IV	958.3	511.6	1,469.9	9.8	3.1	1.9	178.2	1,276.9	5.3
Year	3,271.4	150.2	3,421.6	26.6	4.4	10.5	178.2	3,201.9	13.4
1987 4/									
I	692.5	178.2	870.7	5.9	.3	1.6	226.6	636.3	2.6
II	897.9	226.6	1,124.5				378.0		
Year 5/	3,825.0	178.2	4,003.2	25.0	3.0	16.0	300.0	3,659.2	15.1
1988 4/									
I	4,072.0	300.0	4,372.0	30.0	4.0	16.0	200.0	4,122.0	16.9
Total poultry:									
1985 4/									
I	3,964.3	264.2	4,228.5	109.4	39.9	10.2	297.9	3,771.2	16.0
II	4,384.1	297.9	4,682.0	111.6	36.0	13.5	415.5	4,105.3	17.3
III	4,577.7	415.5	4,993.2	118.4	35.2	12.4	620.4	4,206.8	17.7
IV	4,413.8	620.4	5,034.2	125.3	39.6	12.9	320.8	4,535.5	19.1
Year	17,340.0	264.2	17,604.2	464.7	150.8	49.0	320.8	16,618.9	70.1
1986 4/									
I	4,162.3	320.8	4,483.1	129.1	36.9	9.1	335.0	3,973.1	16.7
II	4,610.5	335.0	4,945.5	144.2	34.7	13.5	478.0	4,275.0	17.9
III	4,764.6	478.0	5,242.6	143.1	43.2	15.3	683.8	4,357.2	18.2
IV	4,679.0	683.8	5,362.8	192.8	41.3	9.5	365.2	4,754.2	19.8
Year	18,216.5	320.8	18,539.3	609.1	156.1	47.4	365.2	17,359.5	72.5
1987 4/									
I	4,600.2	365.2	4,965.4	152.9	40.2	10.4	423.7	4,338.2	18.0
II	4,988.1	423.7	5,411.8				582.8		
Year 5/	19,992.0	365.2	20,357.2	800.0	151.0	53.5	455.0	18,897.7	78.2
1988 4/									
I	21,007.0	455.0	21,462.0	700.0	148.0	53.0	360.0	20,201.0	82.8

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1985 is the same as in 1984. 3/ Calculated from unrounded data. 4/ Preliminary. 5/ Forecast.

Table 52--Total red meat and poultry supply and utilization, 1982-85 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappearance	Per capita disappearance retail weight
	Million pounds								Pounds
1982	53,011	929	2,589	56,529	1,410	286	868	53,965	203.1
1983	55,036	868	2,670	58,574	1,328	267	921	56,060	209.1
1984	55,676	921	2,821	59,418	1,312	251	917	56,938	210.9
1985	56,007	917	3,252	60,917	1,519	243	891	58,521	214.6
1986									
I	13,806	891	799	15,496	332	51	908	14,205	51.7
II	14,668	908	743	16,319	333	69	1,070	14,846	53.9
III	14,521	1,070	934	16,525	389	65	1,183	14,888	53.8
IV	14,517	1,183	843	16,543	511	51	892	15,090	55.0
Year	57,513	890	3,319	61,722	1,565	236	892	59,029	214.3
1987									
I 2/	14,174	892	852	15,917	390	67	976	14,485	52.4
Year 3/	58,438	892	3,335	62,664	1,790	251	1,020	59,579	215.6
1988 3/	59,832	1,020	3,400	64,252	1,577	250	976	61,449	221.8

1/ Totals may not add due to rounding. 2/ Preliminary. 3/ Forecast.

Table 53--Selected price statistics for meat animals and meat

Item	1986								1987							
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	April	May	June	II
	Dollars per cwt															
Slaughter Steers:																
Omaha:																
Choice, 900-1100 lb	58.27	59.04	59.43	58.91	59.73	61.54	59.82	60.36	58.79	61.02	61.59	60.46	66.30	70.66	68.83	68.60
Good, 900-1100 lb	50.55	52.27	53.66	52.16	54.96	56.23	53.87	55.07	52.88	55.23	56.40	54.83	59.35	62.62	61.27	61.08
California, Choice 900-1100 lb	56.55	59.00	59.06	58.20	59.70	61.38	60.10	60.39	60.19	63.45	64.28	62.64	68.35	70.47	69.06	69.29
Colorado, Choice 900-1100 lb	58.99	59.87	60.71	59.86	62.04	63.47	60.58	62.03	60.17	63.62	64.80	62.86	69.91	71.95	70.01	70.62
Texas, Choice 900-1100 lb	59.28	59.84	60.44	59.85	61.90	63.73	61.45	62.36	60.61	64.09	65.26	63.32	70.39	71.80	69.96	70.72
Slaughter heifers:																
Omaha:																
Choice, 900-1100 lb	58.03	56.16	59.38	57.86	59.51	61.80	59.72	60.34	58.18	60.74	61.58	60.17	65.99	70.12	69.42	68.51
Good, 700-900 lb	52.83	54.02	54.33	53.73	54.81	56.44	54.48	55.24	53.83	56.08	56.83	55.58	61.48	64.86	63.42	63.25
Cows:																
Omaha:																
Commercial	37.97	38.09	38.88	38.31	37.80	35.78	35.79	36.46	40.45	43.07	45.81	43.11	44.37	44.05	43.31	43.91
Utility	38.32	37.62	38.42	38.12	37.32	35.88	35.48	36.23	39.79	42.29	45.01	42.36	44.23	44.36	44.72	44.44
Cutter	37.40	36.59	36.91	36.97	35.52	34.32	33.47	34.44	37.49	40.24	42.91	40.21	42.33	42.85	43.14	42.77
Canner	33.71	32.30	33.43	33.15	32.48	31.01	29.89	31.13	33.28	35.02	37.61	35.30	38.00	37.95	38.17	38.04
Vealers:																
Choice, So. St. Paul	62.13	62.50	67.50	64.04	67.50	67.50	67.50	67.50	65.94	68.28	70.00	68.07	75.00	90.00	90.63	85.21
Feeder steers: 1/																
Kansas City:																
Medium No. 1, 400-500 lb	67.20	71.13	72.88	70.40	70.00	68.50	69.40	69.30	73.38	76.38	79.38	76.38	81.20	83.06	84.33	82.86
Medium No. 1, 600-700 lb	61.00	65.75	65.50	64.08	65.10	64.13	65.00	64.73	69.00	71.38	71.13	70.50	72.90	73.38	74.00	73.43
All weights and grades	57.98	62.20	61.51	60.56	61.94	62.77	62.83	62.51	65.75	69.01	68.47	67.74	70.56	70.53	70.21	70.43
Amarillo:																
Medium No. 1, 600-700 lb	61.08	63.63	63.50	62.74	61.65	62.75	63.58	62.66	66.47	70.31	70.56	69.11	71.48	69.63	71.19	70.77
Georgia auctions:																
Medium No. 1, 600-700 lb	56.50	58.00	59.38	57.96	56.40	57.33	57.33	57.02	62.38	65.88	66.75	65.00	67.20	67.25	69.25	67.90
Medium No. 2, 400-500 lb	57.75	58.75	60.50	59.00	59.30	58.33	58.33	58.65	62.50	68.38	71.50	67.46	70.50	72.63	72.00	71.71
Feeder heifers:																
Kansas City:																
Medium No. 1, 400-500 lb	57.30	60.75	63.25	60.43	60.70	58.88	59.80	59.79	65.13	69.13	71.63	68.63	72.80	74.63	74.33	73.92
Medium No. 1, 600-700 lb	56.10	59.25	60.75	58.70	59.65	58.25	59.20	59.03	63.19	65.13	65.75	64.69	66.80	67.63	68.25	67.56
Slaughter hogs:																
Barrows and gilts:																
Omaha:																
No. 1 & 2, 210-240 lb	61.88	63.76	60.51	62.05	55.35	55.04	53.49	54.63	49.31	49.71	48.83	49.28	51.91	55.81	60.82	56.18
All weights	60.88	63.11	59.21	61.07	54.67	53.73	51.25	53.22	47.33	48.68	48.15	48.05	51.55	55.39	60.70	55.88
Sioux City	61.59	63.66	59.59	61.61	54.86	54.44	52.02	53.77	47.56	49.08	48.67	48.44	52.10	55.79	61.37	56.42
7 markets 2/	60.99	63.39	59.01	61.13	54.21	53.62	51.42	53.08	47.39	48.73	48.22	48.11	51.85	55.58	61.08	56.17
Sows: 7 markets 2/	50.86	55.98	55.59	54.14	50.25	48.03	42.91	47.06	43.94	42.38	42.82	43.05	46.42	46.26	46.35	46.34
Feeder pigs:																
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	50.76	56.44	59.63	55.68	53.23	50.00	47.69	50.31	47.00	53.96	54.98	51.98	56.00	51.66	45.89	51.18

Continued--

Table 53--Selected price statistics for meat animals and meat--Continued

Item	1986								1987							
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	April	May	June	II
	Dollars per cwt															
Slaughter lambs:																
Lambs, Choice, San Angelo	73.84	68.12	66.38	69.45	59.65	65.42	73.33	66.13	78.56	75.75	79.83	78.05	93.12	94.50	83.33	90.32
Lambs, Choice, So. St. Paul	71.13	65.53	60.43	65.70	57.76	67.81	72.50	66.02	76.55	75.80	80.60	77.65	84.26	87.73	80.45	84.15
Ewes, Good, San Angelo	35.31	34.88	29.38	33.19	36.85	37.58	38.00	37.48	39.81	41.25	34.88	38.65	39.05	36.25	34.62	36.64
Ewes, Good, So. St. Paul	20.12	20.08	20.50	20.23	20.50	20.50	20.50	20.50	20.50	20.50	19.00	20.00	20.50	20.50	19.85	20.28
Feeder lambs:																
Choice, San Angelo	79.97	80.00	83.88	81.28	81.45	83.50	89.92	84.96	95.88	99.50	108.50	101.29	109.40	112.62	94.56	105.53
Choice, So. St. Paul	74.95	74.53	69.50	72.99	66.32	72.80	79.18	72.77	85.98	86.93	87.50	86.80	87.58	92.10	90.40	90.03
Farm prices:																
Beef cattle	52.90	54.40	54.60	53.97	54.40	54.60	53.20	54.06	56.40	58.80	59.30	58.17	62.60	63.00	50.10	58.57
Calves	59.40	61.10	63.40	61.30	62.70	62.20	62.20	66.37	66.40	70.60	72.50	69.83	75.10	77.30	58.10	70.17
Hogs	59.00	62.10	58.30	59.80	53.10	52.80	50.60	52.17	47.20	48.20	47.40	47.60	50.80	54.40	52.60	52.60
Sheep	26.70	26.40	27.30	26.80	25.50	26.20	29.30	27.00	31.50	32.20	30.70	31.47	28.60	28.30	25.90	27.60
Lambs	71.90	69.50	67.60	69.67	62.50	69.30	73.20	68.33	76.60	76.00	80.80	77.80	86.10	90.10	74.00	83.40
Meat prices:																
Wholesale:																
Central U.S. markets																
Steer beef, Choice, 600-700 lb	89.25	90.98	90.50	90.24	91.80	95.70	92.04	93.18	89.70	91.69	92.86	91.42	100.56	107.80	105.71	104.69
Heifer beef, Choice 500-600 lb	88.32	90.48	90.09	89.63	90.78	94.63	90.25	91.89	87.83	90.38	91.85	90.02	99.88	107.55	104.73	104.05
Cow beef, Canner and Cutter	73.33	71.50	72.60	72.48	71.44	68.92	69.58	69.98	77.92	80.89	84.58	81.13	82.19	82.05	84.15	82.80
Pork loins, 14-17 lb 4/	121.77	125.73	118.84	122.11	109.81	100.13	102.30	104.08	98.29	99.40	93.25	96.98	102.21	120.77	124.38	115.79
Pork bellies, 12-14 lb	90.08	89.10	75.64	84.94	60.32	63.30	64.72	62.78	66.32	57.81	60.02	61.38	65.79	67.21	78.44	70.48
Hams, skinned, 14-17 lb	85.57	92.16	98.98	92.24	105.20	109.40	87.43	100.68	65.75	65.43	71.97	67.72	72.66	70.98	78.91	74.18
East Coast:																
Lamb, Choice and Prime, 35-45 lb	149.00	142.50	136.46	142.65	127.50	144.06	156.00	142.50	160.21	158.96	168.75	162.64	177.60	179.00	165.00	173.87
Lamb, Choice and Prime, 55-65 lb	148.50	142.50	134.70	141.90	117.50	136.25	146.00	133.25	153.96	151.46	161.25	155.56	167.40	173.00	162.00	167.47
West Coast:																
Steer beef, Choice, 600-700 lb	92.10	94.50	95.33	93.98	95.00	96.69	102.30	98.00	93.38	97.38	98.75	96.50	104.90	108.75	109.44	107.70
	Cents per lb															
Retail:																
Beef, Choice	227.4	230.2	231.0	229.5	231.2	233.8	234.8	233.3	236.6	233.6	233.6	234.6	236.8	243.4	249.4	243.2
Pork	158.4	190.3	194.4	189.4	194.9	192.5	191.3	192.9	188.1	185.6	181.3	185.0	178.9	183.7	187.6	183.4
	1967=100															
Price indexes (BLS, 1967=100):																
Retail meats	272.9	279.8	283.6	278.8	283.9	285.4	286.3	285.4	288.6	285.3	286.4	286.7	286.9	291.8	297.1	291.9
Beef and veal	267.6	270.9	272.4	270.3	273.8	277.6	279.5	277.0	282.7	280.7	282.7	282.1	285.8	292.6	297.6	292.0
Pork	278.0	292.6	300.1	290.2	298.0	295.6	294.2	295.5	294.0	289.8	287.2	290.3	284.4	289.4	297.7	290.5
Other meats	274.1	278.3	282.5	278.3	283.5	285.2	286.9	285.2	290.3	285.5	290.2	288.7	289.2	289.0	290.3	289.5
Poultry	240.3	255.0	249.5	248.3	247.8	245.2	241.9	245.0	238.4	237.0	234.1	235.5	231.1	230.5	228.3	230.0
Livestock-feed ratios, Omaha: 3/																
Beef steer-corn	29.0	36.6	42.4	36.0	42.5	40.3	38.9	40.6	40.5	44.0	41.6	42.0	42.3	40.1	38.8	40.4
Hog-corn	30.3	39.3	42.9	37.5	39.0	34.7	33.4	35.7	32.7	35.1	32.6	33.5	32.7	31.6	34.3	32.9

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. 4/ Prior to January 1984 prices are 8-14 pounds.

Table 54--Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	1986								1987							
	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV	Jan.	Feb.	Mar.	I	Apr.	May	June	II
	1,000 head															
Federally inspected:																
Slaughter																
Cattle	3,213	3,101	3,019	9,333	3,164	2,693	2,944	8,801	3,084	2,564	2,805	8,453	2,875	2,780	2,945	8,600
Steers	1,504	1,449	1,447	4,400	1,527	1,232	1,339	4,098	1,476	1,237	1,365	4,078	1,474	1,392	1,482	4,348
Heifers	971	977	924	2,872	897	757	837	2,491	970	794	862	2,626	828	825	874	2,527
Cows	675	615	587	1,877	677	649	714	2,040	586	484	523	1,593	517	505	531	1,553
Bulls and stags	63	60	62	185	63	54	53	170	53	49	56	158	57	58	58	173
Calves	281	262	263	806	276	239	272	787	248	225	251	724	215	189	214	618
Sheep and lambs	432	426	495	1,353	495	401	442	1,338	418	390	432	1,240	477	363	407	1,247
Hogs	5,918	5,799	6,323	18,040	7,083	6,064	6,558	19,705	6,723	5,886	6,786	19,395	6,492	5,916	5,987	18,395
	Percent															
Percentage sows	5.8	5.5	4.9	5.4	4.2	4.4	5.1	4.6	3.9	4.0	3.7	3.9	4.0	4.2	5.3	4.5
	Pounds															
Average live wt per head:																
Cattle	1,095	1,095	1,107	1,099	1,108	1,104	1,105	1,104	1,114	1,113	1,111	1,113	1,097	1,091	1,089	1,092
Calves	242	238	241	240	239	229	228	237	240	241	232	237	243	255	251	250
Sheep and lambs	114	114	117	115	119	119	122	120	118	119	122	120	117	117	116	117
Hogs	245	244	245	245	248	250	252	250	251	248	246	248	247	247	248	247
Average dressed wt:																
Beef	652	654	662	656	660	648	648	652	663	663	633	663	654	650	650	651
Veal	148	145	146	147	146	139	139	141	145	147	141	144	146	156	152	151
Lamb and mutton	57	58	59	58	60	60	61	60	60	60	62	61	59	59	58	59
Pork	175	174	176	175	178	180	181	180	181	177	177	178	176	177	177	177
Production:																
Beef	2,087	2,020	1,990	6,097	2,079	1,741	1,900	5,720	2,038	1,693	1,851	5,582	1,874	1,800	1,908	5,582
Veal	41	37	38	118	39	32	37	108	35	32	35	102	31	29	32	92
Lamb and mutton	25	24	29	78	30	24	27	81	25	23	26	74	28	21	23	72
Pork	1,034	1,009	1,107	3,150	1,254	1,083	1,181	3,511	1,211	1,042	1,196	3,449	1,141	1,043	1,058	3,242
Commercial: 1/	1,000 head															
Slaughter																
Cattle	3,322	3,203	3,128	9,653	3,285	2,819	3,076	9,180	3,199	2,662	2,904	8,765	2,971	2,872	3,034	8,878
Calves	300	278	281	859	295	256	289	839	263	239	266	768	228	202	227	657
Sheep and Lambs	449	443	511	1,402	511	413	454	1,377	428	400	442	1,270	496	373	421	1,290
Hogs	6,098	5,972	6,504	18,572	7,279	6,255	6,796	20,271	6,917	6,055	6,966	19,938	6,665	6,078	6,158	18,901
	Million pounds															
Production																
Beef	2,147	2,076	2,048	6,271	2,146	1,808	1,971	5,925	2,102	1,747	1,907	5,756	1,928	1,851	1,958	5,737
Veal	45	41	43	129	44	37	41	122	39	36	38	113	34	32	35	101
Lamb and mutton	25	26	30	80	30	24	28	81	25	24	27	76	29	22	24	75
Pork	1,063	1,037	1,137	3,237	1,285	1,117	1,221	3,623	1,244	1,070	1,226	3,540	1,169	1,070	1,086	3,325
Cold storage stocks end of quarter: 2/ 3/	Million pounds															
Beef	337	319	292	292	292	297	311	311	321	306	310	310	312	280	253	253
Veal	9	8	7	7	8	7	7	7	7	7	6	6	6	5	4	4
Lamb and mutton	14	15	14	14	15	14	13	13	12	14	14	14	13	13	11	11
Pork	215	185	186	186	216	206	197	197	218	229	221	221	218	219	189	189
Total meat	620	565	499	499	531	524	527	527	598	599	596	596	591	559	498	498

1/ Federally inspected and other commercial. 2/ Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Stocks end of quarter or month.

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